LENIN'S
IMPERIALISM
IN THE 21ST CENTURY

IPE
Institute of
Political Economy

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Institute of Political Economy

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- Conduct training on policy studies work.

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Preface

It is with great pleasure that the Institute of Political Economy (IPE) is publishing this book in commemoration of the hundredth anniversary of the first publication of Lenin's *Imperialism, the Highest Stage of Capitalism*. Written in Zürich from January–June 1916, the essay was first published in Petrograd in mid-1917.

IPE, founded in Manila in 1994, undertakes research of value to a better understanding of Marxist political economy issues and the formulation of policies and alternatives. Along with a reprint of Lenin's original work, this book is IPE's contribution to the centennial celebration of the Great October Socialist Revolution.

Lenin wrote *Imperialism*, one of his major works, amid a raging World War I. In it he described the five features of monopoly capitalism or modern imperialism: 1) the concentration of production and capital leading to monopolies that dominate the economy; 2) the merger of industrial and bank capital, translating into finance capital, that lead to the rule of finance oligarchy; 3) the export of surplus capital to other countries, driving imperialist expansion; 4) the formation of international cartels or economic alliances that carve up the world; and 5) the complete division of the world among the imperialist powers.

In this book, **Lenin's *Imperialism* in the 21st Century**, we present eight in-depth chapters from eminent thinkers and authors tackling the various aspects of imperialism in the current milieu. The first chapter, which I authored, delves into the neoliberal globalization and permanent war project of monopoly capital. It is followed by a chapter by Paul Quintos discussing the key economic features of monopoly capitalism – the domination of monopolies and finance capital. Demba Moussa Dembele then presents an African perspective on new forms of imperialist exploitation and oppression in the continent.

Two distinguished authors tackle the place of China in today's world, with Pao-yu Ching writing on the current phase of imperialism and China and Fred Engst investigating imperialism, ultra-imperialism and the rise of China. Meanwhile, Roland Simbulan analyses various instruments of the 21st century American empire and the people's struggles against imperialism. This is complemented by Pio Verzola Jr.'s chapter looking at how a century of rivalries and wars proves Lenin correct.

Finally, Prof. Jose Maria Sison writes about the future of moribund imperialism, and resurgence of the only alternative, socialism.

We hope that this book contributes to a deeper understanding of the violent, destructive, dying system that is imperialism and inspire the advance of anti-imperialist, democratic and socialist movements to seize victory for the only lasting alternative to capitalism.

Antonio Tujan Jr.
Executive Editor, Institute of Political Economy

The Second Century of Imperialism

Neoliberal "Globalization" and Permanent War Project of Monopoly Capital

Antonio Tujan Jr.

If the first century of imperialism started in the mid-19th century and saw the emergence of international cartels, carving spheres of influence, wars of aggression and colonialism as described by Lenin, the second century of imperialism was ushered by the Second World War and the postwar economic boom—where US imperialism emerged ultimate victor in military and economic terms. It not only reaped the profits in wartime production and military hegemony, but it also constructed the political-economic-military American century.

Economic boom of the 1950's and 1960's was not only the result of reconstruction and economic recovery from the destruction of the Second World War. It also coincided with and was the product of US imperialist economic hegemony, which prevailed over different spheres of influence of its co-imperialist allies. It strengthened neocolonialism from the newly independent colonies. It consolidated international policies and institutions under its control such as the monetary system (e.g., via the dollar peg) and the International Monetary Fund (IMF), financial institutions (banks and investment) and economic development institutions (OECD, World Bank).

It was not without the contention of the socialist bloc under the leadership of the Soviet Union that countered US imperialism and the continuing policy of wars of aggression. The USSR eventually became a social-imperialist power and engaged with a hegemonic competition with US imperialism that became known as the Cold War. But with the ultimate decline of monopoly capital, imperialism constructed neoliberalism as its savior in the 1970–80s. Neoliberalism was meant not only to try to arrest the economic decline in the imperialist heartland but also increase superprofits from the neocolonies and other capitalist countries. At the time, the US military-industrial complex spawned its own reason of being as a major source of superprofits through a permanent war policy after World War II, combining the Cold War and continuous wars of aggression, from Korea to Syria, all around the world.

The imperialist neoliberal project and permanent war policy did not stave off this decline, resulting instead in unprecedented economic, social, political and environmental crisis that could bring humanity and the earth to ruin.

Establishment of US Economic Hegemony after WWII until 1970s[1]

As the victor of the Second World War, the US became the organizer and leader of the world imperialist system. This role and task was necessary not only to rebuild countries ravaged by the war, but also in competition against the emerging socialist bloc countries. Besides competing with the socialist bloc, the US sought to expand capitalism and diminish the non-capitalist world by means of international agencies established towards end of war: the United Nations (UN), World Bank, and IMF and activities of the UN Relief and Rehabilitation Administration (UNRRA), Marshall Plan, and several economic and military aid programs financed and controlled from Washington consolidated the envisioned international system.

The US built up itself as the center of global financial network. It expanded bank branches—from 16 countries in 1918 to 55 countries in 1967. This was assisted, among other things, by: (a) continued extension of US foreign oil, mining and manufacturing interests; (b) spread of military bases; and (c) penetration of areas by government military and economic aid, including entrance into former colonies once exclusive preserve of other imperialist countries. This network of bank branches and subsidiaries means that transfer of funds required for military-related purposes become a source of profit for US financial sector.

A critical factor for US financial hegemony was the peg or equation of dollar with gold which was stipulated in article IV of the treaty establishing the IMF: "The par value of the currency of each member shall be expressed in terms of gold as a common denominator or in terms of the United States dollar of the weight and finances in effect on July 1, 1944."

Equating the dollar with gold set up a relationship of dependency of all capitalist nations on US monetary and financial system. As Magdoff explains, "The reliance on the United States dollar means that in the final analysis—and this becomes painfully apparent on the brink of crisis—the holders of the United States IOUs can use them only to purchase United States goods at United States prices (assuming, of course, that the United States keeps its faith when it itself is faced with special difficulties)."[2]

Besides pegging gold to the dollar, the US also ensures control over financial and monetary systems of other countries through the IMF. A country that applies for a loan to the IMF (a short-term loan to stabilize currency) in most cases does so in situation of desperation. IMF lending and US aid complement each other. As a former AID official reported, "The Greek stabilization program in the mid-1950s, and agreements with Brazil, Colombia, and Chile have all been supported by US aid linked to observance of IMF recommendations. In Chile, for example, program

1 This section closely follows Harry Magdoff 1969.
2 Magdoff 1969, 87.

loans in 1963 and 1964 were largely conditioned on Chilean compliance with fiscal, monetary, and foreign exchange rate policies defined in Stand-by Agreements with the IMF. More recently, in 1966-67, AID assistance to Ceylon and Ghana was tied to stabilization measures recommended by the Fund . . . "[3]

In 1971, Nixon removed the dollar from the gold peg, preventing claims against the dollar from depleting the US gold reserves. The US economic hegemony assured the relative strength of the dollar, and in turn further ensured the independent role of the dollar as worldwide currency and store of value despite the US policy continually printing dollars to buoy financial resources.[4]

The financial and monetary system built up and controlled by US imperialism has become one of the key drivers of imperialist economic control and exploitation of poor countries seeking to emerge from the ruins of war. Trade and investment control sooner than later leaves a country in a balance of payment deficit that eats up reserves of state treasury or central bank. As the deficit persists, collection notices from foreign sellers cannot be complied with and payments of interest and amortization on past loans from foreign bankers and governments cannot be made; dividends on foreign investments cannot be remitted and the country faces bankruptcy.

Post-war reconstruction and development were critical needs of countries coming out of the war, newly independent from colonialism and facing severe poverty, and the US used its control of war industry to control international development through the International Bank for Reconstruction and Development (IBRD, which later became the World Bank and remains important source for long-term funds) and the Organization for Economic Cooperation and Development (OECD), which grew out of the Marshall Plan. Among other things, the latter established working groups attending to particular assistance problems, e.g., how to assess developing country performance problems and aid requirements, or how to encourage greater private investment in developing countries. Through these institutions, imperialists amass superprofits via loans and via the IMF-facilitated lending by the Paris Club of imperialist banks to extract further financial superprofits.

Development finance became and remains a lucrative source of superprofits from loans from public development aid and from public debt from multinational banks facilitated by official development assistance (ODA). Such foreign assistance contributes to the maintenance of freedom of access to raw materials, trade and investment opportunities for US business. It has also historically linked to the implementation of military and political policies of the US and keeping aid recipients dependent on US and other capital markets. It is a clear intention that any development that manages to take place in the global South be firmly rooted in capitalist practices.

3 Nelson 1968, 11, quoted in Magdoff 1969.
4 Eichengreen 2011.

Table 1. Proportion of Export Absorbed by Debt Service and Profits on Foreign Investment in 1966

Exporting Country	Percent of Exports Going to Amortization of Public Debt	Percent of Exports Going to Interest on Debt and Profits on Foreign Investment	Total Exports
Brazil	9.4b	13.8	23.2
Chile	10.8	19.8	30.6
Colombia	14.3a	18.2	32.5
Costa Rica	8.8	11.6	20.4
Ecuador	6.0	19.6	25.6a
Ethiopia	6.3	3.6	9.9
Guatemala	4.9	4.8b	9.7
Honduras	1.3	9.0b	10.3
India	11.3	15.6b	26.9
Kenya	4.3	12.1b	16.4
Mexico	29.3	30.4	59.7
Nicaragua	4.8	11.6	16.4
Nigeria	4.5	26.2	30.7
Pakistan	6.4b	9.3	15.7
Panama	5.1	8.2	13.3
Paraguay	5.1	8.2	13.3
Peru	4.8	15.5	12.3
Philippines	7.2	5.1	12.3
Turkey	3.5	30.3c	23.8
Uruguay	9.0b	8.1b	17.1
Venezuela	1.2b	24.9	26.1

Reproduced from Magdoff 1969, 155. Superscripts for figures in the table indicate that the data is: (a) from the year 1964; (b) from the year 1965; or (c) does not include profit on foreign investment.

Neocolonial trade and investment structures are another key feature of the global imperialist system that the US ensured through development programs managed by the World Bank and under UNCTAD. The debt crisis facing poor countries results in the breakdown of foreign trade and inability to import foreign goods necessary for economic life of a country. This crisis in the 1960s before neoliberal restructuring is well illustrated in Table 1 and Table 2 presenting data on the interconnection of debt and export-oriented trade: the proportion of exports absorbed by debt service

and profits of foreign investment (i.e., exports necessary to obtain dollars with which to service debt).

To escape the trade/investment trap and the resulting payments deficits, developing countries started departing from the import-substitution industrialization (ISI) strategy to promotion of new strategies for export development best illustrated by the case of the Philippines. UNDP organized an inter-agency mission report on the Philippines, *Sharing in development: A programme of employment, equity and growth in the Philippines*, which was unofficially called the Ranis Mission Report.

Around the same time that President Ferdinand Marcos declared martial law, he instituted what was called the labor-intensive export-oriented (LIEO) industrial strategy, now more commonly referred to as export-oriented industrialization (EOI). One of the justifications provided for the shift was the inability of the previous ISI regime to respond to recurring balance-of-payments problems aggravated by the Philippines' import dependency (e.g., oil, machinery, industrial raw materials) and over-concentration of its export crops (limited to goods like sugar, coconut) and minerals (primarily gold and copper).[5] EOI, however, had only proven itself unable to resolve these obstacles to development.

Crisis of Monopoly Capital and the Rise of Neoliberalism

The worldwide economic boom started to wane in the 1970s. Rising unemployment and inflation ensured that the crisis was widely felt. Aside from unemployment, the new era was marked by slowed growth and technical progress, overheating, runaway inflation, and monetary and financial crisis. International capital flows, meanwhile, put stress on the fixed exchange rate system leading to its abandonment in 1971 and the adoption of floating rates. A major determinant of the crisis—and factor in the regressive shift in policymaking that followed—was the well-documented decline in the rate of profit captured by capitalist firms since the 1960s, which prompted the rise of neoliberalism in response.[6]

It was the Mont Pelerin Society founded by Friedrich August von Hayek that presented the systematic formulation of the economic principles of neoliberalism, which intended to challenge Marxism, and other forms of state-centered planning more generally. Milton Friedman, of the Chicago School, held that only a self-regulating free market yielded the correct number of goods at correct prices produced by workers at wage levels determined by the market. This implied that monetary policies should take precedence over fiscal policy.

5 Ranis et al. 1974.
6 Duménil and Levy 2004.

Table 2. Patterns of Export Growth: Developed vs. Underdeveloped Countries

Exports	Value of Exports (Billions of $) in 1950	Value of Exports (Billions of $) in 1965	Annual Rate of Growth 1950 to 1965
World Exports, Total	53.5	156.3	7.4%
Exports of Developed Countries, Total	35.9	122.5	8.5%
• To Each Other	25.0	95.5	9.4%
• To Underdeveloped Countries	10.9	27.0	6.2%
Exports of Underdeveloped Countries, Total	17.6%	33.8	4.5%
• To Developed Countries	12.4	26.2	5.2%
• To Each Other	5.2	7.6	2.5%
Exports of Underdeveloped Countries, Excluding Major Petroleum Producers, Total	14.2	23.7	3.6%
• To Developed Countries	10.0	5.2	1.7
• To Each Other	4.1	5.2	1.7%

Reproduced from Magdoff 1969, 155. Source: Lary 1968, 2

In short, neoliberalism is a set of ideas or doctrine that holds free market capitalism as the best way of ensuring prosperity and freedom for all. Free market propaganda even includes free consumer choices to confuse people. But this definition is illusory or contradictory or caveats in the sense that there is no such phenomenon as a free market in economies rife with monopolies of all forms, and especially in a situation dominated by monopoly capitalism. The reality is that monopoly corporations and multinationals practice all forms of monopoly in violation of free market rules and regulations.

The neoliberal response to the crisis of the 1970s took a variety of forms. In the United Kingdom, it manifested through the monetary policy orientation of the Thatcher administration, which held the growth of the money supply as the chief culprit for bad economic performance. In the United States, it came in the guise of the supply-side prescriptions of the Reagan administration, which held taxes as the primary cause of poor economic performance. The policies came together with a propaganda campaign serving to create the impression of inevitability and permanence, captured most succinctly in Thatcher's frequent proclamation that "there is no alternative."

Concerning international trade and investment, Reagan's advancement of the neoliberal agenda was somewhat modest in comparison to others. While the US administration was strongly involved in the 1982 GATT negotiations on liberalizing trade, the 1982 recession led to Reagan giving into domestic producer demands for the US to opt out of discussions. Still, the administration participated in the Uruguay Round of 1986–94, which covered areas ranging from agriculture and services to intellectual property rights. The Reagan government's biggest success in advancing the neoliberal trade regime was the negotiation of a free trade agreement (FTA) with Canada, though it would require President Bill Clinton to complete the process in 1993 by signing NAFTA.[7]

In the international scene of the 1970–80s, one of the most widely felt forms of neoliberalism was the increase in structural adjustment programs (SAPs) of the IMF and World Bank. While SAPs stem from conditionalities on loans by these institutions since the 1950s, it was during the 1980s that the IMF and the World Bank established themselves as creditors for the majority of countries in Sub-Saharan Africa.[8] These programs placed African, and other countries of the global South, on a regime of liberalization, deregulation and privatization to shift the burden of development financing to the private sector. Assumed was the implementation of an export-led, foreign-funded development strategy exemplified by the so-called newly industrializing economies (NIEs). Such restructuring conveniently attuned economies of poorer countries to foreign trade and investments, and to neoliberal globalization.

This first-wave neoliberalism of the 1980s was bound to a geopolitical mission: halting the growing influence of communism in what was then called the Third World. In contrast to his unexceptional commitment to trade and investment, Reagan indulged his neoconservative impulses towards intervention into regional conflicts—in both an open and covert manner—to support "guerilla movements" in overthrowing Soviet-sponsored regimes. The Reagan administration also engineered the 1983 invasion of the Caribbean island of Grenada, seeking to topple the socialist Sandinista government in Nicaragua, not to mention providing a steady stream of arms to Islamist "freedom fighters" (i.e., the *mujahideen*, which would later become the Taliban). Thatcher shared such neoconservative impulses (e.g., the Falklands War), and both the US and UK administrations were bent on proving the superiority of free-market capitalism to the world, even if neo-conservatism itself stood in some tension with neoliberal principles.

In the 1990s the process of laying the foundation of the general and comprehensive implementation of neoliberalism in trade and investment was completed. This was accomplished by the Uruguay Round (1986–1994) of the General Agreement on Tariffs and Trade (GATT). It was this round that established the WTO, which was

7 Steger and Roy 2010.
8 Lensink 1996.

formally opened on January 1, 1995. Now, apart from the indebted countries already under the sway of SAPs of the IMF-World Bank, more and more countries (currently including 164 member states) were covered under the WTO agreements. Through the combination of the SAPs and the WTO, developing countries were further imprisoned in perpetual underdevelopment through "free trade and investment," consigning them to the fate of providers of cheap labor, cheap raw materials, consumers of First World exports and profitable havens for monopoly capital. The regional trading blocs that came in the wake of GATT serve to consolidate the Uruguay accord and facilitate the work of the WTO by hastening the implementation of its policy prescriptions and then some.

Trade liberalization has led to massive dumping of surplus agricultural and industrial commodities resulting in the bankruptcy of both peasant farms and traditional commercial farms and both weak national industries and small and medium enterprises. Such destruction of production forces in developing countries has tremendous consequences in terms of massive unemployment and poverty hitting the core sectors of agriculture and manufacturing in developing countries.

It is important to note that the agricultural sector is the foundation of many economies in the global South. Government policies attuned to the SAPs, TNC control of agricultural technology and the effect of liberalization of agricultural imports result in various levels of restructuring of agricultural production, which displaces farmers economically, and even physically, by the thousands. Most hard-hit are subsistence peasants as globalization brings in new production technology requiring crop conversion and an adjustment in production relations in the form of contract growing.

Hence, although coined in the 1980s by free-market economist John Williamson, it was not until the 1990s that the "Washington Consensus" became the global framework for "proper" economic development. The phrase became a catchall term for the standard set of policies prescribed by the IMF, World Bank and other Washington-based institutions for countries in the global South, particularly in Latin America. The consensus's original ten defining policy descriptions, as outlined by Williamson, were as follows:[9]

1. Fiscal policy discipline, with avoidance of large fiscal deficits relative to GDP;

2. Redirection of public spending from subsidies ("especially indiscriminate subsidies") toward broad-based provision of key pro-growth, pro-poor services like primary education, primary health care and infrastructure investment;

9 Williamson 1989.

3. Tax reform, broadening the tax base and adopting moderate marginal tax rates;

4. Interest rates that are market determined and positive (but moderate) in real terms;

5. Competitive exchange rates;

6. Trade liberalization: liberalization of imports, with particular emphasis on elimination of quantitative restrictions (licensing, etc.); any trade protection to be provided by low and relatively uniform tariffs;

7. Liberalization of inward foreign direct investments;

8. Privatization of state enterprises;

9. Deregulation: abolition of regulations that impede market entry or restrict competition, except for those justified on safety, environmental and consumer protection grounds, and prudential oversight of financial institutions; and

10. Legal security for property rights.

In a nutshell, the Washington Consensus prescribed trade and financial liberalization, deregulation, privatization and fiscal belt-tightening. SAPs continued to play a strong role and increasing numbers of debt-ridden developing countries were forced to implement neoliberal policies.

The global monopoly capitalist collusion pushing the neoliberal agenda strongly shaped the drafting of agreements: "During the GATT Uruguay Round, Unilever, Hoechst and Ciba Geigy targeted the European Union while the United States delegation was influenced by the Intellectual Property Coalition, including Pfizer, Monsanto and Du Pont. Their efforts were noticeable in the drafting of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), which extended the GATT mandate from purely trade issues to intellectual property rights, including patents for life forms developed by biotechnology."[10]

The design for liberalization covered not just trade but included financial and investment liberalization, thus the ink was barely dry on the Uruguay Round agreement in Marrakech in 1994 when preparations were underway for a proposed Multilateral Investment Agreement (MIA) planned to be rolled out at the first WTO Ministerial in 1996 in Singapore. Were it not for the objection of the Southern African Development Community (SADC) countries besides Egypt, Uganda, Tanzania and

10 Humphreys 2001, 88–101.

Ghana that broke the consensus, the MIA would have sealed an expansion of the WTO and neoliberal globalization more broadly.[11]

Undaunted by this turn of events, the US-led monopoly capitalist collusion further pushed the MIA, renaming it Multilateral Agreement on Investment (MAI), and presenting it as a plurilateral agreement under sponsorship of the OECD, where it was negotiated first among its industrialized country members. Yet again the proposed agreement fell through when, after months of global campaigning, France objected, citing liberalization of investment in arts and culture as problematic.

The unrelenting imperialist push for expansion of neoliberalism meant the return of initiatives to expand the WTO through the Doha Round starting in 2001, the Non-Agricultural Market Access (NAMA) negotiations and the expanded General Agreement on Trade in Services (GATS). These initiatives remain failures and unconcluded giving way to the creation of bilateral, regional and plurilateral free trade and investment agreements of all kinds. Some were sponsored by US imperialism like Asia-Pacific Economic Cooperation (APEC), the Transpacific Partnership Agreement (TPPA), or the Transatlantic Trade and Investment Partnership (TTIP). Others were supported by European imperialist powers under the European Union (EU), such as the expanded Economic Partnership Agreements (EPAs), or the bilateral agreements between the EU and the Association of Southeast Asian Nations (ASEAN). Still others were supported by the emerging imperialist power China, with the Regional Comprehensive Economic Partnership (RCEP) being the most notable here.

Production Globalization

The economic term and concept of globalization was coined by economists to mean economic integration—mainly through international trade and investment.[12] The concept fit perfectly with the monopoly capitalist agenda of neoliberalism in policy and practice of international economic integration.

But the material base in production for globalization was the rapid advance of technology brought out by digitization over practically all arenas of production of capital goods and downstream industrial applications. It can be said that globalization was born out of technological revolution. The crisis of overproduction in the 1970s and 1980s provided the impetus for better production and the improvement of production processes, and machinery to expand investment in constant capital.

11 Khor 1997.

12 Credit for coining the term is often attributed to Theodore Levitt who used it in his article "Globalization of Markets," in the May-June 1983 issue of the *Harvard Business Review*, though there are earlier uses.

Further among its different impacts, technological revolution resulted in the dramatic reduction in the costs of trade, in communications and transportation that made globalization possible. Innovations in palletization of shipping, aviation, and digitization of communication are a few dramatic examples. This facilitated the expansion not simply of trade but in the export of capital as the revolution in communications allowed the easier and cheaper operations of international financial institutions, allowing more speculative portfolio investments.[13]

Labor relations were dramatically changed such that the "social contract" between labor and capital, flawed as it already was, was abolished and various forms of flexible short-term contracts were instituted to the benefit of capital according to the immediate requirement and production schedule.

Besides the advances in technology and production of capital goods, another key development in globalization is subcontracting or production globalization. Production outsourcing started in the 1950s but became marked in the 1970s with the creation of industrial estates, which allowed duty-free access of inputs and finished goods under outsourcing. Such special export zones (SEZs) eventually morphed into various zones (or even office buildings where multinationals operate their business outsourcing and call services) that were accorded various perks and benefits besides tax privileges. Outsourcing expanded into agriculture such as contract farming for high-value crops and into service sectors such as call centers and many other web-enabled businesses.

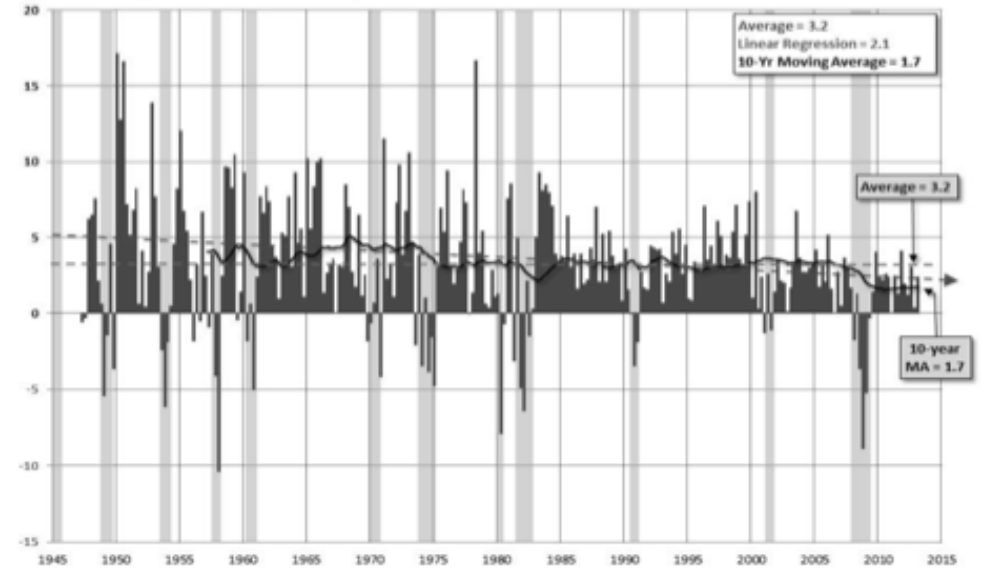
As global monopoly capital exports excess capital and goods in order to pass the burden of the crisis of overproduction to the colonies and neocolonies of the imperialist powers, monopoly capital does not create jobs in the global South but achieves the reverse in destroying jobs in domestic industries and subsistence agriculture.

The vast reserve army of unemployed proletarians and semi-proletarians in the global South is a surplus labor force not created by capitalist accumulation but by the imperialist policy of neocolonialism and maldevelopment. This constitutes an international reserve, an international surplus labor population, that monopoly capital extracts super-profits from through wages that are systematically depressed far below already cheap standards and costs of living of developing countries.

It is in this context that production subcontracting has evolved as another form of extracting super-profits under globalization. Taking advantage of differentials in production costs and market prices in importing industrialized countries and exporting developing countries, the multinational corporations rake in super-profits that are often over 100 times the average profit margins.

13 Tujan 1996, 10.

Figure 1. US Real Gross Domestic Product, Recessions Linear Regression and the 10-Yr MA



Source: http://www.financialsense.com/contributors/doug-short/gdp-q1-third-estimate-at-one-point-eight-percent.

It is also in this context that temporary migrant labor is the most obscene example of squeezing labor surplus from the vast reserve of the impoverished toiling masses in the semicolonies to work and eke out a living as an underclass of undocumented foreign workers in the imperialist heartland.[14]

Financial Liberalization and Financialization of Economies

What the world has been undergoing in the past five years is a protracted depression in the context of neoliberal globalization, in which (a) recession and weak growth follow each other in the real economy in capitalism's historically proven periodic boom-and-bust cycles but in the context of overall decline or "depression," and at the same time (b) the ever-expanding financial or "casino" economy generates its own fluctuations, which are more chaotic and less predictable, exacerbate recession and contribute to the overall economic decline. This is evident in the US data on real GDP growth rates across 50 years (see Figure 1).[15]

The combination of boom-and-bust cycle with financial crashes is not new, since stock markets and other forms of financial speculation have already been standard features of advanced industrial economies since the late 19th century, and have accompanied boom-and-bust cycles since then. But things have changed with the

14 Tujan 2010.
15 Tujan and Verzola 2013.

implementation of debt as a policy of growth in the 1980s and the rise to dominance of financialization (the expansion of speculative financial investment instruments ushered by financial liberalization) and the emergence of the fictitious economy.[16]

Comparing the impact of financial derivatives to the total world economic output, many economists now acknowledge that the level of financial derivatives has skyrocketed since the 1980s, and the "unwinding" if not sudden bursting of these derivatives present risks to the overall economy that are much greater and more unpredictable than what occurred during the Great Depression in the 1930s.

Neoliberalism's financial liberalization and increases in investments to the neocolonies and former colonies have promoted greater unemployment as a result of: productive speculative investment, financial destabilization due to finance speculation, and economic instability under an environment of investment deregulation.

Condition of permanent crisis in the neocolonies has also been intensifying under globalization as monopoly capital seeks more and more ways to pass on the effects of a worsening crisis of imperialism. The conditions of economic depression in the colonies and neocolonies are further intensified by the debt crises facing most of them, as their payments on public and private debt become one of the most profitable sources of income from the export of capital. As Washington Consensus conditionalities further weaken these countries and leave them to the mercy of global markets, the only recourse of relief is more borrowing that only worsens indebtedness leading to economic ruin.

In recent years, high food prices have become the "new normal." Despite lower demand and a slight decline in cereal prices due to stagnant economies, food prices remained high or volatile. This is mostly the result of financial speculation in agricultural commodities, which has become an increasing arena of neoliberal globalization. By many accounts, the current food outlook appears more positive in terms of increased production, declining imports, and slight drops in high prices, but the basic underlying drivers that triggered the crisis, such as financial speculation and environmental pressures, continue unabated.

Crisis of Neoliberalization and the Downward Spiral of Depression and War

The 2008 financial meltdown was a series of financial bubbles—the subprime debacle leading to bigger collapses in real estate, credit swaps and other speculative financial instruments—bursting in chain reaction and resulting in the closure of several giant financial houses. While the bailouts may have gained some breathing space for selected business and banks that are deemed "too big to fail," the economies

16 Tujan and Verzola 2013.

Figure 2. World GDP Growth (Annual %)

Source: World Bank Development Indicators.

reel from one bailout crisis to the next as they fail to generate enough jobs and consumer demand.

With the financial meltdown pulling down the rest of the world economy, the first response of most developed countries was to bail out the biggest banks and firms that were "too big to fail." This required massive public expenditures that soon led to equally massive public deficits and public debt. Yet these were not enough to reverse the trends of slowdown, recession, and anemic growth continued in the real economy in the succeeding years. As suggested from Figure 2 above, which displays the world GDP growth, the stimulus efforts have not resulted to restoring growth to pre-crisis levels. The rates of world nominal GDP growth seem to point in the same direction with a severe drop in growth in 2010, marking, among other things, the onset of a period of global public expenditure contraction. Crisis response measures are at an end, and the next phase of the crisis has arrived.

Andrew Haldane, chief economist at the Bank of England, described the economic situation in a 2015 speech: "Recent events form the latest leg of what might be called a three-part crisis trilogy. Part One of that trilogy was the 'Anglo-Saxon' crisis of 2008/09. Part Two was the 'Euro-Area' crisis of 2011/12. And we may now be entering the early stages of Part Three of the trilogy, the 'Emerging Market' crisis of 2015 onwards."[17]

17 Haldane 2015.

The crisis in the global South is in part one of massive and increasing debt. The IMF in 2016 asserted: "Low income countries are increasingly exposed to a wider set of vulnerabilities, including from market volatility and costlier debt, an environment many may not be familiar with. The challenging global environment suggests that debt vulnerabilities are likely to increase for many of these countries." In fact, the developing country debt payments increased by 45% between 2014 and 2016, pushing them to their highest level since 2007.[18]

Low and lower-middle income sovereign debt has risen from US$56 billion in 2008 to US$262 billion in 2016. This volatile situation has in fact resulted from the Northern responses to the crisis. Furthermore, the increase in emerging market corporate debt coincides with decreasing Asian commodity prices since 2014, which means that debt payment will become more difficult for firms in the South.

The boom in lending to Southern countries has resulted from the Northern policy response to the crisis. The quantitative easing (QE) and low interest rates in the North has pushed profit-hungry lenders towards the global South where it is possible to charge higher rates of interests. Yet now that the ultra-low interest rates maintained by the US Federal Reserves to stimulate the economy are being reversed, the ensuing increase in the value of US dollars vis-à-vis Southern currencies has created the conditions for currency mismatches. Combined with the aforementioned falling prices of export commodities, the challenge of debt repayment approaches impossibility.

While the financial markets are heating up anew and creating conditions for a new crash, the difference from 2008 is that the stakes are higher this time. This is because the central banks, having bought up enormous amounts of public and private financial assets (through QE), have become key financial market players themselves. They are at risk of collapse should a new financial shock explode in their faces. Back in mid-May 2013, IMF economists warned of the interest rate spikes and crash in bond prices that could result from ending QE.

In this context of escalating crisis, the US seeks to maintain its hegemonic position (generally with the support of the EU and Japan) through international trade agreements, overseeing governance of international debt and finance relations, and seeking out and monopolizing property through privatization, among other endeavours. Yet from a post-Cold War US-dominated unipolar world for two decades, global politics has gone through significant realignments at the start of the new millennium. This can be characterized as a "multipolar" transition in which position and actions of other big powers did not often coincide with the US position. This situation contains factors that may eventually trigger more realignments and even polarization of hegemonic spheres.

18 Jubilee Debt Campaign 2017.

The bizarre outcome of the supposed post-Cold War era is that the strategic arms race is continuing. The US maintains its nuclear missile defense structure in Europe. While the US claims that its missile systems are a shield against possible nuclear attack by Iran, Russia appears to be the real target. Russia accuses the US-NATO program of planning to crawl right up its western and southern borders. While China balances its options and various considerations in upholding its national and global interests as an emerging imperialist power, it looms as a more strategic challenger in terms of its economic and rapidly building up military capacity.

In the struggle for imperialist dominance, Cold War-like posturing between US and Russia is most alarming in the form of saber rattling—whether thinly veiled as a series of large-scale military exercises, or official threats of military intervention—in areas that are already flashpoints of armed conflict. In particular, the US-led plans to trample on Syria and Iran are gaining momentum.

A large part of the rationale behind the US's so-called "rebalancing" towards Asia is containment of Chinese influence. Some aspects of this started during the Bush administration, and then during Obama's first term, such as closer ties with the Association of Southeast Asian Nations (ASEAN) and the launching of the now-abandoned Transpacific Partnership Agreement (TPPA). But the most dramatic, and the aspect towards which President Trump is most clearly committed, is the military pivot to East Asia and Southwest Pacific regions. The concrete objectives are: to protect current US dominance over the shipping lanes from the Indian Ocean to the South China Sea; to defend the chokepoints in case they are closed by hostile states (e.g., Iran for the Strait of Hormuz); and to prevent other potential threats from rival powers and hostile states from undermining US economic, political and military interests in the region. Despite the Trump administration's role in the demise of the TPPA, these objectives remain high-priority for the US.

The arms trade is further indication of the ties between heightened militarism and the capitalist prioritization of profit. The US and other developed countries, which are mostly the biggest military spenders, are also the biggest arms traders, suppliers, and military aid givers to armies worldwide. The US, Russia, France, UK and China (who are also the five permanent members of the UN Security Council), together with Germany and Italy, accounted for around 85% of the arms sold between 2004 and 2011. Worldwide, some US$45–60 billion worth of arms deals are closed yearly—with three-fourths sold to developing countries. Leading arms industries justify this by saying that arms production "creates jobs" and that if they did not see to undemocratic regimes, "someone else would."

The imperialist neoliberal globalization project have been accompanied with permanent war of aggression starting with the Korea and Vietnam wars, the occupation of Palestine, the military incursions in Haiti, Lebanon, and so on, the invasion of Iraq and Libya and now Syria and Yemen. Indeed there is no 'peace dividend' from the end of the Cold War as imperialist lapdogs and triumphalists

claim because the end of the Cold War was but the beginning of a policy of conquest and permanent war of aggression of countries and peoples around the world. The military-industrial complex is crucial as a vehicle to sop up excess capital and thus has to be fed constantly with wars. And the terminal economic, political and climate crisis leave imperialists no recourse but war and fascism.

Yet the crisis has also motivated resistance to the heavily militarized maintenance of US hegemony over the system of plunder and exploitation of the global South. Popular wars of national liberation are intensifying and expanding. These include the long-running mass-based armed struggles or popular insurgencies such as those in the Philippines, Colombia, Kurdistan, India and other South Asian countries, those where recently the US and NATO have carried out or threaten to launch blatant wars of aggression, as in Iraq, Afghanistan and in other territories held be a foreign military occupying power, such as in Israel-occupied Palestine.

The only solution to the suffering of the workers and the peoples of the world is to end the scourge that is imperialism through a peoples' revolutionary war and build socialism.

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Notes on Monopoly Capital in the 21st Century

100 Years since Lenin's Imperialism

Paul Quintos

A hundred years ago V.I. Lenin concluded that capitalism had entered a new historical stage – the last and highest stage in its history – monopoly capitalism. He defined this as: "capitalism in that stage of development in which the domination of monopolies and finance capital has established itself; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun; in which the division of all the territories of the globe among the biggest capitalist powers has been completed."[1] Lenin also called this the era of **modern imperialism**.

This paper will examine the contemporary expressions of these key features of monopoly capitalism identified by Lenin a century ago. It will not, however, attempt to present how these features have developed and evolved historically over the course of the past century. Nor will it paint a comprehensive picture of the world capitalist system as it stands today. Rather the paper will merely endeavor to highlight important new elements and dynamics stemming from the principal *economic* features of monopoly capitalism – the domination of monopolies and finance capital. Other authors in this volume and elsewhere have amply discussed the geopolitical aspects of imperialism in the present era.

Studying the contemporary expressions of monopoly-capitalism's key features shows that the logic and dynamic of the monopoly capitalist system remains fundamentally unchanged from Lenin's time. However, it shows that the forms and means of exploitation and oppression that characterize imperialism have evolved and intensified.

Monopoly versus competitive capitalism

In *Imperialism, the Highest Stage of Capitalism*, Lenin underscored that the "transformation of competition into monopoly is one of the most important – if not the most important – phenomena of modern capitalist economy."

1 Lenin, Vladimir. 1917. "Imperialism: The Highest Stage of Capitalism." Marxists Internet Archive. https://www.marxists.org/archive/lenin/works/1916/imp-hsc/ch07.htm

This phenomenon, however, is entirely denied or obscured by the dominant neoliberal discourse of the ruling classes today, at the theoretical, empirical and policy levels.

Indeed, all the welfare-optimizing claims of neoliberal doctrine hinges on the operations of perfectly competitive markets in which the following five conditions must be met: 1) numerous small firms selling identical products; 2) each firm has a relatively small market share; 3) all firms are price takers, i.e. they cannot influence the market price of their product; 4) there are no barriers to entry and exit of firms in the industry; and 5) all buyers have complete information about the product being sold and the prices charged by each firm.

This is an abstraction of the capitalist system as it existed during its dynamic and progressive stage when capital was still dispersed among many competing capitalists. Clearly there is no economy in the world today that comes close to meeting any let alone all five criteria.

In this idealized framework, monopolies and oligopolies are aberrations. They are exceptions to the rule or transient phenomena inasmuch as capitalist competition eventually dislodges dominant firms. For neoliberals, as long as there is competition, having dominant firms is not a practical problem in the long run.

On the other hand, "heterodox" neoliberals (e.g., liberals or left social democrats) assume that capitalist states can correct market failures including the tendency of capitalist economies towards disequilibrium, pervasive externalities, widening inequalities, and underinvestment in public goods.

But even before Lenin, Marx long ago recognized that capitalism inevitably leads to ever-higher concentrations of capital in the hands of capitalists whose ranks also shrink as a proportion of the population while their power grow.

For Marxists, monopoly firms are the norm because of, and not in spite of, competition. In the fight between capitalists, the smaller and weaker ones are usually bankrupted and devoured by the larger ones. Over time the monopolistic control of a few enterprises replaces the competition of many enterprises in an ever-widening scope, until it dominates whole branches of industry and the whole economy. Monopolistic firms influence prices, control supply, erect barriers to entry of others; manipulate consumer demand; etc. to maintain their dominance.

For political economists from the Marxist tradition, monopoly power is therefore the ability of one or a few large firms to dominate industries or entire economies in order to extract above average profits or superprofits. Monopoly power does not mean the absolute absence of competition, however. Industries can be dominated by a handful of monopolistic firms that collude and compete at the same time. But

this is contrary to the conditions of "perfect competition" in a "free market" that neoliberalism invokes.

Furthermore, Marxists recognize that the state is not neutral but an instrument of the ruling classes in society. Capitalist states will not regulate the economy for the benefit of the general public, let alone the impoverished and marginalized. Quite the opposite, the capitalist state will facilitate further capitalist exploitation of the poor.

So for Marxists, it is not a question of reinvigorating the "developmental" state to tame the unbridled markets, which is as far as most anti-neoliberals are willing to push for. Fundamentally it is about the working classes capturing state power, democratizing ownership and control over the means of production and transforming class relations towards socialism and ultimately communism.

During Lenin's time, he witnessed the rapid buildup of monopolistic combinations among capitalists representing ever-higher concentration of production and capital. These spread rapidly throughout the economy of the most advanced capitalist countries in the 1873-1890s period with the development of the joint stock company. By the beginning of the 20th century, monopolies were already dominant in the economies of the US, Great Britain, France, and Germany. A few other countries soon caught up such as Russia and Japan.

The 20th century saw the increasing dominance of monopoly firms as represented by corporations, which later take the form of conglomerates with dominant interests in multiple industries and sectors, and later on as multinational corporations (MNCs) with operations that span many countries.

Monopoly today

In today's global economy, the world's top 10 corporations have a combined revenue of more than the 180 'poorest' countries combined.[2] The world's 500 largest companies (all MNCs) topped $27.6 trillion in revenues in 2015, equivalent to 37.2 percent of global gross domestic product (GDP).[3] According to the McKinsey Global Institute, 10 percent of the world's publicly-listed companies generate 80 percent of all profits.[4]

2 Global Justice Now, "10 biggest corporations make more money than most countries in the world combined", September 12, 2016. http://www.globaljustice.org.uk/news/2016/sep/12/10-biggest-corporations-make-more-money-most-countries-world-combined

3 Fortune. 2016. "Global 500" http://fortune.com/global500/list/

4 Mckinsey Global Institute. 2015. "Playing to Win: The New Global Competition for Corporate Profit." McKinsey & Company. http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-new-global-competition-for-corporate-profits

Another recent study by three systems theorists at the Swiss Federal Institute of Technology in Zurich revealed an even greater degree of economic concentration today.[5] By examining the revenues and ownership of 43,060 MNCs from a database of 37 million companies and investors worldwide, they estimate that the global economy has a dominant core of 147 firms with interlocking stakes in one another. These 147 firms – a "super-entity" representing a mere 0.3 percent of all MNCs in the world – together control 40 percent of the wealth while a longer list of 737 firms (1.7 percent of all MNCs) control 80 percent of the entire pie. All but five of the top 50 firms in this dominant core are financial institutions.

This high degree of capital concentration can also be seen in virtually all strategic industries today.

- Six multinational agrochemical corporations – BASF, Bayer, Dow, DuPont, Monsanto and Syngenta – control 75 percent of the global agrochemical market; 63 percent of the global seed market; and more than 75 percent of all private sector research in seeds and pesticides in 2013.[6] By controlling the key inputs in agriculture, a handful of MNCs now control the global food system.

- Likewise, the health of the world's population is heavily influenced by the decisions of 10 pharmaceutical companies, which control 47 percent of the global market for medicines and medical products in 2016 (see Table 1 in Appendix for complete data).

- There are over 1,300 registered companies in the automotive industry but the biggest 10 MNCs in the sector cornered over 40 percent of all sales of motor vehicles and parts globally in 2016 (see Table 2 in Appendix for complete data).

- Similarly, the top 15 firms cornered nearly half (45.5 percent) of all global revenues in transportation, courier and postal services in the same year (see Table 3 in Appendix for complete data). These MNCs now control the means for circulation of commodities in the global capitalist system.

- In the fastest growing sector of the global economy, just six technology firms – Apple, Samsung, Hon Hai Precision, Amazon, HP and Microsoft – control 20 percent of the $4.3 trillion market for information technology, semiconductors and consumer electronics (see Table 4 in Appendix for complete data). Hence a handful of MNCs now exercise virtual control over the means for circulation of information in the global economy.

5 Vitali, Stefania, James B. Glattfelder, Stefano Battiston. 2011. "The Network of Global Corporate Control." PLoS ONE 6 (10): e25995. https://doi.org/10.1371/journal.pone.0025995

6 ETC Group. 2015. "Breaking Bad: Big Ag Mega-Mergers in Play -- Dow + DuPont in the Pocket? Next: Demonsanto?" ETC Group Communiqué, December. http://www.etcgroup.org/content/breaking-bad-big-ag-mega-mergers-play bad-big-ag-mega-mergers-play

Table 1. Selected Indicators from the UNCTAD World Investment Report 2017, Values at current prices (Billions of dollars)

Item	1990	2005-2007 (pre-crisis average)	2014	2015	2016	% change from 1990
FDI Inflows	205	1,426	1,324	1,774	1,746	851.7%
FDI Outflows	244	1,459	1,253	1,594	1,452	595.1%
FDI Inward Stock	2,197	14,496	25,108	25,191	26,728	1216.6%
FDI outward stock	1,254	15,184	24,686	24,495	26,160	2086.1%
Income on inward FDI	82	1,025	1,632	1,480	1,511	1842.7%
Rate of return on inward FDI	4	7	7	6	6	136.4%
Income on outward FDI	128	1,101	1,533	1,382	1,376	1075.0%
Rate of return on outward FDI	6	8	6	6	6	93.2%
Cross-border M&As	98	729	428	735	869	886.7%
as % of FDI outflows	40.2%	50.0%	34.2%	46.1%	59.8%	149.0%
Sales of foreign affiliates	5,097	19,973	33,476	36,069	37,570	737.1%
as % of GDP	21.7%	38.2%	42.6%	48.6%	49.9%	229.8%
Value added (product) of foreign affiliates	1,073	4,636	7,355	8,068	8,355	778.7%
as % of GDP	4.6%	8.9%	9.4%	10.9%	11.1%	242.8%
Total assets of foreign affiliates	4,595	41,140	104,931	108,621	112,833	2455.6%
Exports of foreign affiliates	1,444	4,976	7,854	6,974	6,812	471.7%
as % of GDP	6.2%	9.5%	10.0%	9.4%	9.1%	147.1%
as% of Total Exports of goods and services	32.6%	33.3%	33.3%	33.3%	33.3%	102.1%
Employment by foreign affiliates (thousands)	21,438	49,478	75,565	79,817	82,140	383.2%
Memorandum items						
GDP	23,464	52,331	78,501	74,178	75,259	320.7%
Gross fixed capital formation	5,797	12,431	19,410	18,533	18,451	318.3%
Royalties and licence fees receipts	29	172	330	326	328	1131.0%
as % of income on outward FDI	22.7%	15.6%	21.5%	23.6%	23.8%	105.2%
Exports of goods and services	4,424	14,952	23,563	20,921	20,437	462.0%

This concentration of capital has accelerated over the past four decades owing to neoliberal globalization. Capital export in the form of foreign direct investment (FDI) outflows grew six-fold between 1990 and 2016, facilitated by neoliberal policies imposed by the finance oligarchy the world over. As a result, sales of foreign affiliates of MNCs have climbed even more steeply in absolute terms (from $5 to $37.5 trillion) as well as their share of global GDP (from 21.7 to 49.9 percent). MNC's exports of goods and services likewise increased rapidly from $1.4 to $6.8 trillion over the same period.[7]

The centralization of capital is also evident in the steep rise in mergers and acquisitions (M&A) among MNCs. Cross-border M&As averaged $802 billion in 2015 and 2016 compared to $98 billion in 1990 as dominant MNCs gobble up smaller rivals or merge to become even bigger global behemoths. M&As accounted for 60 percent of all FDI flows in 2016 compared to around 40 percent in 1990, indicating a constricting space for greenfield investments amidst a worsening crisis of overproduction for monopoly capitalists.

Even the Economist (2016) is worried. "Concentration is at its most worrying in America. The share of GDP generated by America's 100 biggest companies rose from about 33% in 1994 to 46% in 2013. The five largest banks account for 45% of banking assets, up from 25% in 2000."[8]

Global value captured by MNCs

The degree of concentration of capital today, however, is not readily revealed by examining the size of firms or even their inter-locking *ownership*. The global reach and economic power exercised by today's monopoly capitalist firms is also understated by figures on FDI, exports and market shares directly attributed to MNCs. This is because under neoliberal globalization, MNCs increasingly control and coordinate the operations not only of their subsidiaries and affiliates abroad but also of nominally independent partner firms scattered in numerous locations throughout the world.

Through combinations of partial ownership, joint ventures and/or non-equity based contractual arrangements such as contract manufacturing, contract farming, service outsourcing, franchising, licensing and management contracts, MNCs now operate international production *networks* that dominate entire industries globally. These are modern day forms of the monopoly capitalist combines scrutinized by Lenin a century ago.

7 UN Conference on Trade and Development. 2017. World Investment Report 2017: Investment and the Digital Economy. http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1782

8 The Economist. 2017. "The Rise of the Superstars."

The United Nations Conference on Trade and Development (UNCTAD) estimates that about 80 percent of global trade (which today amounts to more than $20 trillion in terms of gross exports) is linked to these international production networks of MNCs. Of this, some 42 percent ($6.3 trillion) is intra-MNC trade or transactions between parents and subsidiaries; another 42 percent ($6.3 trillion) are arm's-length transactions between unrelated parties involving at least one MNC; and around 16 percent ($2.4 trillion) in the grey zone between intra-firm trading and arm's-length transactions or non-equity modes (NEM) of MNC control over international production.[9]

According to UNCTAD, NEM transactions account for a growing share of global production and sales in many industries. The most common form of NEM is contract manufacturing wherein a lead MNC outsources the assembly of goods or intermediate inputs to other firms – usually in underdeveloped countries where labor costs are much lower. Contract manufacturing now accounts for 50 percent of global trade in toys, footwear, garments and electronics.

Bourgeois economists refer to these MNC-controlled networks as "global value chains" (GVCs) in order to mislead people into thinking that value is created at each link or node in the production network and that the "lead firms" (the MNCs) in the imperialist countries add the greatest value to the final goods that are sold in the market. They deliberately obscure the fact that MNCs simply rely on their monopoly control over technology, market access and "standards" in order to dictate the terms of contracts with their partners including price setting, onsite surveillance of production process, and product delivery schedules.

In so doing monopoly firms based in the imperialist countries are able to capture the lion's share in the profits generated by the labor of workers including and especially those employed by their partner firms in the underdeveloped countries engaged in routine assembly tasks or services. It is in fact the latter which creates the value that is supposedly generated throughout the GVC.

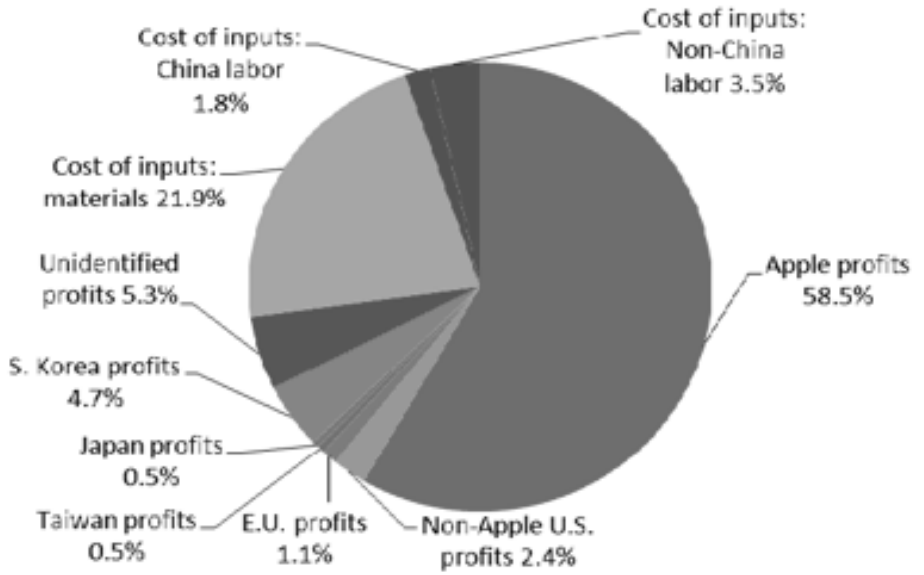
Apple Inc. is an archetypal example of this. The US-based company sold 78.29 million iPhones globally in the last quarter of 2016 alone, accounting for 69 percent of the 78.4 billion dollars in total revenue it collected in the same period.[10] Yet Apple does not own a single factory nor does it employ any of the workers who actually manufacture these iPhones.

Instead Foxconn (a subsidiary of Hon Hai Precision Industry, a Taiwanese corporation) assembles these iPhones under contract with Apple, using tooling and

9 UN Conference on Trade and Development. 2013. Global Value Chains: Investment and Trade for Development. http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=588

10 Murphy, Mike. 2017. "Apple's first-quarter earnings were massive, and everyone loves the iPhone 7." *Quartz*, January 31. https://qz.com/899509/apples-aapl-q1-2017-earnings-were-massive-and-everyone-loves-the-iphone-7/

Figure 1. Distribution of value-captured from Apple iPhone


Cost of inputs: China labor 1.8%
Cost of inputs: Non-China labor 3.5%
Cost of inputs: materials 21.9%
Unidentified profits 5.3%
Apple profits 58.5%
S. Korea profits 4.7%
Japan profits 0.5%
Taiwan profits 0.5%
E.U. profits 1.1%
Non-Apple U.S. profits 2.4%

Source: http://pcic.merage.uci.edu/papers/2011/Value_iPad_iPhone.pdf

equipment under license from Apple, assembling intermediate inputs manufactured by Japanese, Korean and other international suppliers pre-selected by Apple. Together with Apple's licensed vendors, they form a globally-integrated production and distribution network led and coordinated by Apple, Inc.

Another study by the Asian Development Bank (ADB) estimates that "if iPhones were assembled in the U.S. the total assembly cost would rise to US$65 [instead of $6.50 per iPhone in China] and would still leave a 50 percent profit margin for Apple."[11] This means that Apple realizes $58.5 in *additional* profits (superprofits) for *every* iPhone unit sold just by outsourcing assembly to low-wage Chinese factories – and Apple sold 211.88 million iPhone units in 2016 alone.

With this much superprofits to be gained from exploiting labor in underdeveloped countries, MNCs are slicing and dicing their operations in order to relocate various activities in their most "cost-effective" locations on a regional or global basis.

MNCs and their comprador partners in underdeveloped countries take advantage of generous incentives and subsidies from governments and exploit the enormous pool of cheap and repressed labor to assemble imported components for re-export to other countries, mainly back to the high-income imperialist centers themselves. Without significant backward and forward linkages to the local economy, these

11 Smith, John. 2016. *Imperialism in the Twenty-First Century: Globalization, Super-Exploitation, and Capitalism's Final Crisis*. New York: Monthly Review Press

industries offer little in the way of sustained industrial deepening at a scale that would generate mass employment and provide adequate incomes for workers.

On the contrary, the entry of these enclave industries as well as the rush of cheap imports due to trade liberalization are destroying the national industries and domestic agriculture that cater to the domestic population. This deepens the colonial or neo-colonial pattern of production and trade while intensifying the exploitation and insecurity of workers in the underdeveloped countries.

Monopoly over intellectual property

Industrial capitalists used to protect their monopoly over technology (embodied in capital goods and inputs) by keeping these in-house. However, with the outsourcing and offshoring of production, Apple and other MNCs that sit at the apex of today's global production networks increasingly rely on their monopoly over so-called intellectual property including product designs, brand names, symbols and images used in marketing.

These are protected by patents, copyright and trademark rules and legislation and enforced through punitive litigation. Intellectual property rights (IPR) are essentially legal barriers to competition for the benefit of monopoly capitalists. They allow MNCs to reap superprofits for extended periods of time (the typical patent is valid for 20 years) wherever they or their "partners" operate (the Patent Cooperation Treaty has 152 contracting states).[12]

This is confirmed by figures from the UNCTAD which show that international royalty and licensing fee receipts of MNCs rose from 29 billion dollars in 1990 to 328 billion dollars by 2016, outpacing the growth in sales and exports of MNC's foreign affiliates as well as the growth in incomes from FDI outflows in general (see Table 1 above).

This also explains why "intangible assets" account for an increasing share of the market value of the biggest MNCs today. According to UNCTAD estimates, intangible assets (brand value and other intellectual property) account for around one-third of the market capitalization of the world's top 100 MNCs on average. This is even more pronounced for tech MNCs in the top 100. Their intangible assets account for around half of their market capitalization.[13]

Monopoly capitalists go to great lengths to keep their monopoly over "intellectual property." In the smartphone industry alone, according to a Stanford University study,

12 World Intellectual Property Organization. "PCT – The International Patent System." http://www.wipo.int/pct/en/

13 UNCTAD. 2017. World Investment Report.

as much as $20 billion was spent on patent litigation and patent purchases in 2010-2011. Apple and Samsung spent more on IPR litigation and buying up patents in 2012 than either did on R&D for their own commercial products. So more money is now spent on preventing the dissemination of new technology or their further development.

To make matters more absurd, many of these patented commercial technologies are based on public research (e.g. world wide web). Indeed none of these patented intellectual property would even be possible without public spending on basic education; without knowledge and information freely shared by people with one another; and without the knowledge and culture handed down from generation to generation. These are the essential foundations of creativity and innovation. But IPR privatizes this knowledge to generate rents for monopoly capitalists. This is another example of how monopoly goes against social needs and even obstructs the further development of productive forces and culture in society.

Transfer pricing

The growth in global production networks of MNCs has also vastly expanded the scope for surplus extraction by monopoly capitalists through the manipulation of *transfer prices* or the pricing of goods, services and intangibles between related parties. The greater the fragmentation of international production, the more cross-border trade in intermediate goods (i.e. raw materials, parts, components and semi-finished goods) as well as services. Each cross-border transaction provides an opportunity for transfer price manipulation by MNCs.[14]

According to conservative estimates of Global Financial Integrity, total illicit financial outflows from developing countries grew at an average annual rate between 7.2 percent and 8.1 percent over the years from 2005 to 2014, reaching estimated levels between $620 billion and $970 billion in 2014. An average of 87 percent (between $540 and $844 billion) of these illicit financial outflows were due to the fraudulent misinvoicing of imports and exports of goods by MNCs and/or their comprador partners in developing countries. Actual levels are likely to be much higher as these figures exclude misinvoicing of trade in services and intangibles which is harder to detect and therefore more widespread.[15]

Superprofits extracted from underdeveloped countries in the form of transfer price manipulation/trade misinvoicing now exceed the superprofits from FDI remitted through legal means, which in 2012 amounted to $486 billion. Interest payments

14 UNCTAD. 2013. World Investment Report

15 Spanjers, Joseph and Matthew Salamon. "Illicit Financial Flows to and from Developing Countries: 2005-2014." *Global Financial Integrity*. http://www.gfintegrity.org/report/illicit-financial-flows-to-and-from-developing-countries-2005-2014/

on foreign debt further drained $188 billion from underdeveloped countries in the same year.[16]

MNCs then park a large chunk of these superprofits in tax havens to avoid paying taxes. Going back to Apple Inc. as an example: the US-based MNC created two subsidiaries in Ireland — Apple Sales International and Apple Operations Europe — and assigned most of the company's IPR to these entities. Those companies license that intellectual property to other global Apple subsidiaries or partners, and earn income from those licensing arrangements. So profits from the sale of Apple products everywhere outside the Americas are shifted to these Apple subsidiaries in Ireland.

Then these two companies attributed almost all sales profits to a "head office" that "existed only on paper and could not have generated such profits", according to the European Commission which investigated Apple's operations in Europe. An Irish tax loophole allowed the allocated profits – around 16 billion euros in 2011 just to take one year as an example – to be untaxed in any country. This selective treatment enabled Apple to pay just 50 euros for every million it raked in as profits from its sales in Europe – an effective corporate tax rate of 0.005% in 2014.[17]

Apple, however, is not exceptional in this regard. The UNCTAD points out that the top 100 MNCs have an average of 20 holding companies each, often domiciled in tax havens in order to avoid paying taxes.[18]

Finance oligarchy

As in Lenin's time, today's biggest monopoly capitalist combines represent the merger of bank and industrial capital which Lenin (and Rudolf Hilferding before him) referred to as finance capital. According to them banks become instruments for merging and linking isolated, small and big capital in industry. They come to control access to credit for production and commercial transactions. Eventually they also merge, conspire, exchange stocks, and form interlocking boards of directors of the largest monopolies in industry. Thus they bring under their control not only the isolated capitalist enterprises and their operations, but also the whole of capitalist society.

16 Griffiths, Jesse. 2014. "The State of Finance for Developing Countries, 2014." *European Network on Debt and Development (EURODAD)*. http://www.eurodad.org/finance_for_developing_countries

17 Taylor, Harriet. 2016. "How Apple managed to pay a 0.005 percent tax rate in 2014." *CNBC.com*, August 30. http://www.cnbc.com/2016/08/30/how-apples-irish-subsidiaries-paid-a-0005-percent-tax-rate-in-2014.html?view=story&%24DEVICE%24=native-android-mobile

18 The Economist. 2016b. "Why Giants Thrive." In *Special Report: The Rise of the Superstars*. September 17. Economist.com. https://www.economist.com/news/special-report/21707048-small-group-giant-companiessome-old-some-neware-once-again-dominating-global

Once financial capital is consolidated, its biggest owners become the financial oligarchy and rise to the top of the capitalist class. The financial oligarchy is a small number of powerful capitalists that control finance capital by owning the biggest banks and finance houses, as well as the biggest industrial corporations. Each bloc of the financial oligarchy usually takes the form of a combined industrial-financial business conglomerate. The business of determining the financial needs – and thereby the profit margins – of industry and in the economy as a whole is now concentrated in a handful of giant banks.

This financial oligarchy is exponentially wealthier and more powerful today than during Lenin's time.

As already mentioned, all but five of the top 50 supermonopoly firms in the list of Vitali et al cited above are financial institutions. Another study that examined the shareholders behind a sample of 299 "very large corporations" (all MNCs) in 2009 revealed that 41 percent of their assets are held by banks or financial companies and another 27 percent are held by mutual funds, pension funds, insurance companies, private equity firms, hedge funds or venture capital. Only 3.3 percent of assets are held by families or individual shareholders. Even for very large *industrial* corporations, around 60 percent of assets are held by banks and financial institutions.[19]

The massive superprofits extracted by MNCs from their global production networks ultimately benefit this tiny financial oligarchy. The richest eight monopoly capitalists in the world control $426 billion in wealth – equivalent to the combined wealth of the poorest half of the world's population in 2016.

As Marx noted in his time, the overaccumulation of wealth in one pole means the overaccumulation of misery on the other side. One in 12 people in developing countries are chronically undernourished. Over a billion of the world's population counted as "poor" are landless and around 200 million farmers do not have enough land to enjoy a decent standard of living. Meanwhile, over 60 million hectares of farmland, mostly in underdeveloped countries, have been acquired or targeted for acquisition by foreign investors between 2000 and 2014.[20]

The ranks of the unemployed is expected to exceed 200 million this year according to conservative estimates of the International Labour Organization (ILO). Of those with jobs, more than 1.4 billion are now in precarious kinds of work, characterized by

19 Very large companies, or VLCs, here refer to the top 300 MNCs -- 250 largest industrial corporations by turnover plus the 50 largest financial corporations by assets -- from a global database on corporations owned by Bureau van Dijk (a business intelligence company). From Peetz, David and Georgina Murray. "The Financialization of Global Corporate Ownership." In *Financial Elites and Transnational Business: Who Rules the World?* Edited by Georgina Murray and John Scott. Northampton, MA: Edward Elgar Publishing.

20 Oram, Julian. 2014. The Great Land Heist: How the world is paving the way for corporate land grabs. ActionAid International May 2014

low pay, job insecurity and repressive conditions.[21] This section of the working class is growing by 11 million per year as governments impose labor flexibilization policies to enhance the competitiveness of monopoly firms.

Even middle class families in the advanced capitalist countries are joining the ranks of over 1.6 billion people all over the world who are denied health, education services, and an adequate standard of living.[22] This is made worse by cutbacks in social spending while military expenditure is jacked up for the military-industrial complex, and taxes are reduced for the finance oligarchy.

The overaccumulation of capital in the hands of the finance oligarchy also means a crisis of overproduction for the global capitalist economy as the vast majority of people are deprived of the means to purchase the surfeit of goods churned out by capitalist production.

Financialization

To make matters worse, the deepening crisis of overproduction and overaccumulation of capital is exacerbating *financialization* – the process whereby profit making increasingly takes place through trading of financial assets and speculative activities rather than through investment in production. This is because the financial oligarchy is now using an increasing proportion of their surplus capital to extract untold profits from activities detached from the real economy or the production of real goods and services amidst the capitalist crisis of overproduction.

In the imperialist countries, profits are huge and continue to expand from the issuance of stocks, the manipulation of the stock market, trading of bonds, securities and derivatives, commissions from financial transactions, and the speculation in money, land, raw materials, precious metals and even the arts.

Financialization is also evident in the increasing involvement of non-financial corporations in financial activities. For example companies such as Wal-Mart, Carrefour, Tesco, and most major retailers even in underdeveloped countries offer financial services like credit cards, check cashing services, insurance programs, bill payment centers, the sale of money orders, and money transfer services. More recently they have begun offering savings and checking accounts, pre-paid debit cards, and even home mortgages.[23] This has also made firms in the real economy more short-term oriented.

21 International Labour Organization. http://embargo.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_541211.pdf

22 Oxford Poverty & Human Development Initiative. "Global Multidimensional Poverty Index 2014." http://www.ophi.org.uk/wp-content/uploads/Global-MPI-2014-an-overview.pdf?0a8fd7

23 S. Ryan Isakson (2014) Food and finance: the financial transformation of agro-food supply chains, The Journal of Peasant Studies, 41:5, 749-775, DOI: 10.1080/03066150.2013.874340

With the proliferation of so many financial instruments that provide quick and high returns, shareholders even in non-financial firms have become much more keen on extracting maximum profits in the shortest amount of time. Corporations now spend an increasing proportion of their earnings in paying dividends to shareholders and buying back their own stocks in order to prop up the share price. Not only does this create stock market bubbles that eventually crash, such practices also divert resources away from building actual productive capacity such as machines, R&D and training to improve long-term productivity.[24]

However, financialization also blurs the division between production and speculation. This can be seen in the increasing involvement of financial institutions in productive activities for speculative purposes. For instance many investors now deposit their funds in large investment banks, hedge funds or firms that invest in land based primarily upon its anticipated appreciation in land values, while the value generated by agricultural production is perceived as an added bonus.[25]This is now one of the drivers of the global landgrabbing phenomena.

Financialization is given an extra boost through *leveraging* whereby financial capitalists take out enormous amounts of debt to multiply the sums of capital they use for trading in financial assets such as derivatives. This ultimately inflates asset bubbles in equities, property and other markets. The more speculative trading occurs, the greater the market value of financial assets, and the greater the wealth held by the finance oligarchy that holds the lion's share of these assets.

But not only the elites are involved in financial markets today. As the cost of living soars beyond the reach of working people's wages, and as social welfare and safety nets are removed, workers and middle class families are driven to increasingly rely on debt as well as insurance, private pension plans, mutual funds and other mass-marketed financial products. Farmers sell futures contracts as well as purchase insurance for their crops. Thus ordinary households in the developed countries are made to believe that these are the solutions to the increasing uncertainties of life resulting from the dismantling of the welfare state, economic instability and even climate change.

All these processes are not just increasing and accelerating the transfer of wealth from producers to the finance oligarchy, it is also increasing the latter's claims on wealth that has yet to be produced by future generations. Financialization, therefore, strengthens the rule of the financial oligarchy but also worsens the parasitism and rottenness of the capitalist system. It has increased interconnectedness but also heightened the instability of the entire global economic system and its tendency towards stagnation and decay – an inevitable consequence of monopoly as pointed out by Lenin.

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24 Chang, Ha-joon. 2014. Economics: The User's Guide: A Pelican Introduction. Pelican Books.
25 Isakson, 2014

The 2008 global financial crisis provides a dramatic illustration of the consequences of this process. Debt-fuelled speculative trading in "exotic" financial *instruments* put the entire financial system of the most advanced economies on the brink of collapse in 2008. The ensuing global financial and economic crisis has persisted and is causing the rapid deterioration of the situation of workers both in advanced capitalist countries and underdeveloped countries. Even mainstream economists and financial analysts now acknowledge that the global economy has not really recovered.

The results of the measures taken in relation to the crisis are paving the way to greater and more dangerous convulsions. Bank bailouts and the ultra-loose monetary policy adopted by the imperialist central banks have put more money in the hands of the financial oligarchy but has fueled further financial speculation. The notional amounts outstanding derivatives contracts stood at $483 trillion at the end of 2016 or more than six times the value of all goods and services in world (global GDP).[26]

Moreover, it has inflated global debt by $57 trillion in just eight years from 2007. Global debt is now over $217 trillion, more than three times the output of the entire global economy in one year and growing at a much faster pace than global GDP.[27] This unpayable debt is the ticking time bomb that is inevitably going to explode and plunge the world into another and more severe financial seizure.

Towards a new redivision of the world

While the concentration of capital is embodied in MNCs and their networks, these monopoly firms remain concentrated in a handful of countries despite the promise of "globalization." Table 3 shows that the 500 largest corporations in the world are headquartered in the leading imperialist countries with the US on top of the list. Up to the end of the 20th century the US, EU and Japan accounted for around 86 percent of the firms listed in Fortune's Global 500. But the number of Chinese firms in the Global 500 rose steeply from just 3 in 1996 to 12 in 2000 and now stands at 103 according to the latest tally. So China's share of the Global 500 rose from next to none in 1996 to over 20 percent by 2016 while the US share correspondingly declined from around 48 percent in 1980 to 27 percent in the latest tally.

This shows how the fortunes of monopoly capitalists and their firms are tied to the fortunes of their states. In their drive to accumulate capital beyond the home market, monopoly capitalists need their home state to pave the way for their overseas operations by creating the "enabling conditions" that allow them to export goods, invest in other countries, exploit labor and resources, takeover assets, outcompete

26 Semiannual OTC derivatives statistics. Bank for International Settlements. http://www.bis.org/statistics/derstats.htm

27 Amaro, Silvia. "China's debt surpasses 300 percent of GDP, IIF says, raising doubts over Yellen's crisis remarks." CNBC. http://www.cnbc.com/2017/06/28/chinas-debt-surpasses-300-percent-of-gdp-iif-says-raising-doubts-over-yellens-crisis-remarks.html

Table 2. Home countries of the Global 500

	Number of Global 500 firms				
Country	**1981**	**1991**	**1996**	**2000**	**2016**
USA	242	157	162	185	134
EU	141	134	155	141	124
Japan	62	119	126	104	52
China		0	3	12	103
Canada		9	6	15	11
Switzerland		10	14	11	15
South Korea		13	13	11	15
Australia		9	5	7	8
Brazil		1	5	3	7
Others	5	48	11	11	31
Total	500	500	500	500	500
Triad (US-EU-Japan) Total	445	410	443	430	310
China Total		0	3	12	103

Adapted from "The World's Largest 500 Multinational Enterprises" in Rugman, Alan and Stephane Girod. 2003. "Retail Multinationals and Globalization: The Evidence is Regional" European Management Journal 21 (1), and latest data from Fortune (2016)

rivals and repatriate profits. They must be assured that their properties overseas would not be expropriated; that their exchange transactions and contracts would be honored and their loans would be repaid—in short, they must be assured of sustained profit extraction.

Moreover, they must be more effective and efficient at doing all of these than their rivals. For this they must employ the extensive coercive powers of the imperialist state, contrary to the *laissez faire* slogan of neoliberalism.

After World War II, the US led other imperialist states in establishing the multilateral institutions (the Bretton Woods institutions, the UN) that would facilitate the recovery of the global capitalist economy and the containment of the socialist camp led by the USSR and China. With the full recovery of Western Europe and Japan by the 1970s, competition between monopoly firms within the "first world" became more intense, pulling down rates of profit and triggering a crisis in capitalist accumulation.

The US government instigated unilateral actions (such as suspending the dollar's convertibility to gold in 1971) as well as pressured its allies to accede to new agreements (such as the Plaza Accord in 1985) in favor of US monopoly capital. At the same

time the US led other imperialist states in using various international instruments (the International Monetary Fund, the World Bank, the World Trade Organization, trade and investment agreements, foreign aid, etc.) to impose neoliberal policies at home and especially in the underdeveloped countries to open up new spaces for capital accumulation in favor of finance capital in general.

The 1990s saw the collapse of the revisionist regimes in the Soviet bloc and their reintegration into the global capitalist economy together with China. Imperialists heralded this as the final victory of capitalism and bourgeois liberal democracy. But the entry of these powers in the capitalist camp has intensified the competition for sources of capital accumulation.

China has "developed" rapidly as a capitalist economic powerhouse in its own right by combining state monopoly enterprises and private monopoly firms. According to Jose Maria Sison, "the state sector of the economy has ensured the continued development of national industry and military production and has resisted the worst impositions of the imperialist powers, while Chinese private capitalism has enjoyed the benefits of collaborating with the state sector in promoting the big comprador capitalism in maintaining sweatshop production of consumer manufactures for export as well as in developing a big industrial bourgeoisie involved in heavy and basic industries providing supplies to the frenzy of private and public overconstruction."[28]

Like other imperialist powers before it, China is now extending its reach to other countries in order to secure energy and raw materials to feed its industries as well as open up more markets and investment opportunities for capitalist accumulation and growth. China's most ambitious outbound project to date is the One Belt One Road (OBOR) initiative which entails building a network of railways, roads, pipelines, and utility grids that would directly link China with Central Asia, West Asia, parts of South Asia, East Africa and Southern Europe.[29]

According to a recent article in the New York Times, "The initiative … looms on a scope and scale with little precedent in modern history, promising more than $1 trillion in infrastructure and spanning more than 60 countries. Mr. Xi is aiming to use China's wealth and industrial know-how to create a new kind of globalization that will dispense with the rules of the aging Western-dominated institutions. The goal is to refashion the global economic order, drawing countries and companies more tightly into China's orbit. It is impossible for any foreign leader, multinational

28 Sison, Jose Maria. 2016. "Impact of the GPCR on the Philippine Revolution. People's Resource for International Solidarity and Mass Mobilization, June 1. https://www.prismm.net/2016/06/01/jms-gpcr-phil-revo/

29 Jinchen, Tian. 2016. "'One Belt and One Road': Connecting China and the world." *McKinsey & Company*, July. http://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/one-belt-and-one-road-connecting-china-and-the-world

executive or international banker to ignore China's push to remake global trade. American influence in the region is seen to be waning."[30]

China is also the main mover behind the Regional Comprehensive Economic Partnership (RCEP), a mega-regional trade deal that includes the 10 ASEAN member states along with six of its major trading partners China, Japan, Australia, New Zealand, South Korea, India. If concluded, the RCEP will cover half of the world's population, 38 percent of the world economy and nearly 30 percent of the world's trade volume. More significantly, RCEP excludes the U.S. and is in fact China's counterpoint to the US-led Transpacific Partnership that has been recently shelved by the Trump administration.[31]

China has also taken the lead in establishing a new set of international financial institutions, including the New Development Bank, the BRICS Contingent Reserve Arrangement, the Asian Infrastructure Investment Bank (AIIB) and the New Silk Road Fund. These are not only meant to mobilize resources in support of OBOR and other development projects, together they also represent a counterweight to the International Monetary Fund (IMF), the World Bank, the European Central Bank and the Asian Development Bank – the global financial architecture dominated by U.S. finance capital since the end of World War II.[32]

China is also strengthening its alliance with Russia and attempting to secure its Eurasian periphery through the Shanghai Cooperation Organization (SCO). The SCO is a political, economic, and military organization founded in 2001 by the leaders of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. In 2015 India and Pakistan joined the SCO, effectively extending its scope to South Asia.

Meanwhile, in spite of Trump's promise to "Make America Great Again", the US continues its strategic decline due to imperial overstretch, overspending on military adventures abroad and hollowing out its domestic industrial base by outsourcing manufacturing to so-called emerging economies.

The process of redividing economic territory among imperialists is therefore accelerating. And as Lenin pointed out, in a world that is already completely carved up by imperialist powers, redividing territory can only mean war.

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30 Perlez, Jane and Yufan Huang. 2017. "Behind China's $1 Trillion Plan to Shake Up the Economic Order." *The New York Times*, May 13. https://www.nytimes.com/2017/05/13/business/china-railway-one-belt-one-road-1-trillion-plan.html

31 Asia Pacific Research Network. 2016. "Briefer on the Regional Comprehensive Economic Partnership." http://aprnet.org/?p=439

32 Wong, Erebus, Chi, Lau Kin, Tsui, Sit and Wen Tiejun. 2017. "One Belt, One Road: China's Strategy for a New Global Financial Order." *Monthly Review 68 (08): January*. https://monthlyreview.org/2017/01/01/one-belt-one-road/

This is already evident in the rising frequency and intensity of geopolitical struggles and social conflicts all over the world. Imperialist states, led by the U.S., are becoming more aggressive in capturing and controlling more territories as sources of raw materials and low-cost labor, as captive markets and supply routes, and as launching pads for projecting military force overseas. The US and NATO forces are now attempting to encircle and contain resurgent powers such as Russia and China who are perceived as threats to U.S. hegemony and the US-led world order in place since the end of World War II.

Imperialism is the eve of revolution

The concentration of capital and monopoly power in the world capitalist system has now reached astounding levels compared to the period when Lenin wrote his popular outline of "Imperialism, the Highest Stage of Capitalism."

Obscene and fantastical levels of wealth are now held by a plutocracy who enlarges their coffers by exploiting the labor of billions of workers and producers all over the world. They have devised new ways and means of penetrating the farthest corners of the planet through their global production networks to exploit the cheapest labor and resources and extract superprofits. While this process has created a single global economy, it is a world where the underdevelopment of the South is perpetuated and deepened while the economic and political dominance of imperialist powers is further reinforced through unequal exchange, superexploitation, oppression and war.

Since Lenin's time, the finance oligarchy has also devised a myriad of ways to accelerate the turnover of capital in order to maximize returns in the quickest possible time. They are accumulating wealth not just through investment in production, but also through the dispossession of the masses. They are even enlarging their claims to wealth that has yet to be produced by future generations even as they destroy the very basis of life for those future generations. And now they are igniting more wars and pushing humanity to ruin.

This is the parasitism and decay of capitalism that Lenin highlighted, taken to new heights of iniquity. The neoliberal counter-revolution since the 1980s has only worsened imperialism's exploitation of the workers and peoples of the world, and of nature, and has generated crisis after crisis.

But Lenin also said that "imperialism is the eve of the social revolution of the proletariat" which the Bolsheviks proved 100 years ago. The oppressed and exploited classes of today must draw inspiration and lessons from the Great October Socialist Revolution and other victorious revolutionary struggles in the last century. They must apply these lessons with a clear understanding of how class forces and class struggle operates today. They must grasp not only how imperialism works, not only

the objective conditions for revolutionary struggles, but the science of revolution – to which Lenin contributed greatly – in order to fortify the subjective conditions for systemic change. The future of the workers and peoples of the world is at stake.

Appendix: Data on top MNCs' market share in various sectors

Table 1. Total revenues of Pharmaceutical Industry Firms in Fortune Global 500 Ranking as % of Pharmaceutical Industry Global Revenue (millions USD)

Rank in 2016 Global 500	Top Firms (Rank in Overall Global 500)	Revenue
1	Johnson & Johnson (103)	70,074
2	Bayer (165)	52,437
3	Roche Group (167)	52,390
4	Novartis (175)	51,030
5	Pfizer (186)	48,851
6	Sinopharm (205)	44,325
7	Sanofi (233)	41,460
8	Merck (246)	39,498
9	GlaxoSmithKline (278)	36,550
10	Gilead Sciences (316)	32,639
11	Astra Zeneca (435)	24,708
12	AbbVie (469)	22,859
13	Amgen (487)	21,662
Sum of Revenues of Pharmaceutical Industry Global 500		538,483
Global Revenues for Pharmaceutical Industry (estimate)		1,000,000
Revenues of Pharmaceutical Global 500 as per cent of Pharmaceutical Industry Revenue		54%

Sources of data: 2016 Fortune Global 500 list, IBISworld (for industry revenue)

Table 2. Total revenues of Transport Firms in Fortune Global 500 Ranking as % of Transport Sector Global Revenue (millions USD)

Rank in Sector for 2016 Global 500	Top Firms (Rank in Overall Global 500)	Revenue
1	China Post Group (105)	69,637
2	US Postal Service (107)	68,928
3	Deutsche Post (108)	68,358
4	UPS (149)	58,363
5	FedEx (192)	47,453
6	Deutsche Bahn (203)	44,818
7	American Airlines Group (236)	40,990
8	Delta Air Lines (239)	40,704
9	Maersk Group (240)	40,308
10	United Continental Holdings (265)	37,864
11	Lufthansa Group (285)	35,559
12	SNCF Mobilites (319)	32,497
13	HNA Group (353)	29,562
14	Air France KLM Group (363)	28,910
15	La Poste (418)	25,563
16	International Airlines Group (421)	25,356
17	East Japan Railway (447)	23,883
18	China COSCO Shipping (465)	22,965
19	Emirates Group (472)	22,734
20	Union Pacific (485)	21,813
Sum of Revenues of Transport Global 500		786,265
Global Revenues for Transport Sector		1,471,000
Revenues of Global 500 firms as per cent of Global Revenues		53.45%

Sources of data: 2016 Fortune Global 500 list, IBISworld (for sector revenue)

Table 3. Total revenues of Motor Vehicle & Parts in Fortune Global 500 as % of Motor Vehicle & Parts Global Revenue (millions USD)

Rank in Sector for 2016 Global 500	Top Firms (Rank in Overall Global 500)	Revenue
1	Volkswagen (7)	236,600
2	Toyota Motor (8)	236,592
3	Daimler (16)	165,800
4	General Motors (20)	152,356
5	Ford Motor (21)	149,558
6	Honda Motor (36)	121,624
7	SAIC Motor (46)	106,684
8	BMW (51)	102,248
9	Nissan Motor (53)	101,536
10	Dong Feng Motor Group (81)	82,817
Revenue of 23 other Global 500 firms in Automobile Manufacturing Sector		980,941
Sum of Revenues of Motor Vehicle & Parts Global 500		2,436,756
Global Revenues for Motor Vehicle & Parts Sector		3,613,000
Revenues of Motor Vehicle & Parts Global 500 firms as per cent of Global Revenues		67%

Sources of data: 2016 Fortune Global 500 list, IBISworld (for industry revenue)

Table 4. Total revenues of Technology Firms in Fortune Global 500 as % of IT Sector Global Revenue (millions USD)

Rank in Sector for 2016 Global 500	Top Firms (Rank in Overall Global 500)	Revenue
1	Apple (9)	233,715
2	Samsung Electronics (13)	177,440
3	Hon Hai Precision Industry (25)	141,213
4	Amazon.com (44)	107,006
5	HP (48)	103,355
6	Microsoft (63)	93,580
7	IBM (82)	82,461
8	Alphabet [Google parent company] (94)	74,989
9	Sony (113)	67,519
10	Panasonic (128)	62,921
Revenue of 23 other firms in Technology Global 500		785,379
Sum of Revenues of Technology Global 500		1,929,578
Global Revenues for Technology Sector		4,300,000
Revenues of Technology Global 500 firms as per cent of Global Revenues		45%

Sources of data: 2016 Fortune Global 500 list, IBISworld (for sector revenue)

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New Forms of Exploitation of Africa by Monopoly Capitalism

From Lenin's Imperialism to the Imperialism of the Triad in the 21st Century

Demba Moussa Dembele

Introduction

One hundred years ago, Vladimir Ilich Lenin, Karl Marx's most prominent follower and leader of the October 1917 Russian Revolution, published a book on what he called imperialism, seen as the highest stage of capitalism. One hundred years later, Lenin's analysis has stood the test of time and confirmed eloquently by the evolution of the capitalist system in the 21st century. The concentration of capital has reached unprecedented levels and imperialist expansion is mainly driven by the interests of monopoly capital, especially in this period of systemic crisis of capitalism.

This chapter is organized as follows. The first section will introduce the concept of imperialism as seen by some of Lenin's predecessors. The second section will give an overview of the fundamental characteristics of imperialism as exposed by Lenin. The third section will analyze African perspectives on imperialism. The fourth section will expose the manifestations of today's imperialism in Africa, while the fifth section will give a summary and draw some concluding remarks.

I) The Notion of Imperialism

There were two pioneering works on imperialism before Lenin wrote his book. English economist John Hobson (1902) was the first to point to the transformation of capitalism into imperialism, in reference to the United Kingdom, the first imperialist nation. Hobson analyzed this transformation as a necessity for the survival of capitalism. Because of the unequal distribution of wealth inherent in the capitalist system, there is a surplus capital that cannot be invested in the domestic market for lack of enough demand. Therefore, for the system to continue to expand, this surplus has to be invested overseas. Since all capitalist countries have similar problems, they are all looking for possessions overseas. Hence, the race to control weaker countries, which will inevitably lead to violence, conflicts and open wars. This was illustrated by wars of conquest in Africa, Asia and the Middle East. Hobson pointed out that Africa had been the main ground of confrontation between imperialist countries,

because of its immense resources. He eventually traveled to Southern Africa, where he met Cecil Rhodes,[1] one of the emblematic figures during the golden era of British imperialism.

The second important work on imperialism was done by the Austrian Marxist, Rudolph Hilferding, who published a book in 1910 on the subject. Lenin acknowledged their merits, built on their work and went on to expose the most cogent and thorough analysis of imperialism.

II) Lenin's Analysis of Imperialism

As the title of his book indicates, Lenin observes that imperialism is a particular stage in the development of capitalism. Analyzing the structural transformation of that system from leading capitalist countries of the late 19th and early 20th centuries, namely the United States, England, Germany and France, Lenin exposed what he considered the fundamental economic characteristics of monopoly capitalism.

1) Concentration of capital and production

Monopoly capitalism is the result of a high degree of concentration of capital and production. Lenin backs up this claim by providing statistics from Germany, France and England, which show how a small number of companies – less than 1% of the total – concentrate nearly half of the production, and more than half of the workforce and the resources used in the production system. The concentration of capital and production led to the formation of cartels, which became one of the main factors behind imperialist expansion.

2) Concentration of banks and the rise of finance capital

The other main characteristic of monopoly capitalism is the concentration in the banking system, with a few big banks controlling the sector. Lenin illustrated this concentration by the examples of the Rockefeller and JP Morgan banks in the United States. As a result, industrial companies became dependent on a small number of banks for financing. The result is the domination of finance capital over capital in general. The tight relations between big banks and industrial companies translated into the interlocking of their Directorates and Boards.

1 Cecil Rhodes was such an eminent figure in the galaxy of British imperialism that two of its possessions in Africa were named after him. The current Zimbabwe and Zambia were named, respectively Southern Rhodesia and Northern Rhodesia, until their independence!

3) Dominance of finance capital and financial oligarchy

The dominance of finance capital gave birth to a financial oligarchy, which may be able to control other companies worth millions of dollars, with less than half a company's capital. This is possible through linkages and facilities provided by big banks. Therefore, a small group of individuals may control so much economic and financial power to the detriment of the overwhelming majority of the society.

4) Exportation of capital

The dominance of monopoly capital and financial oligarchy resulted in capital surplus, which could not be reinvested domestically, due to unequal distribution of wealth inherent in the capitalist system, as already signaled by Hobson. This surplus had to be exported overseas, which triggered the race to foreign possession, in search of natural resources and markets.

5) Colonial conquests and expansion accelerated with the era of imperialism

The exportation of capital became a vehicle for imperialist expansion by the conquest of weaker countries, especially non-European countries. But since leading imperialist countries had similar problems, the exportation of capital led to wars between rivals. Inter-imperialist wars took place in Africa, Asia and Latin America, for domination, for the control of resources and markets and for the use of cheap labor.

But since inter-imperialist wars are too costly, sometimes imperialist powers find a way to resolve their rivalry at a lower cost by carving up weaker regions and countries. One of the most notorious examples of this is the Berlin Conference of 1884-1885, during which the leading European imperialist countries of the time – Germany, United Kingdom, France, Spain, Portugal and Belgium – carved up Africa. The consequences of that Conference are felt even today, as the legacy of imperialist domination continues to be one of the main obstacles to Africa's development (Rodney, 2001).

Imperialism in history

In conclusion, Lenin argues that from a historical perspective, monopoly capitalism signals the beginning of the end of capitalism. Monopolies, oligarchy, tendency to domination, exploitation of a growing number of small or weak countries and nations by a tiny group of rich and powerful nations make capitalism a parasitic system which cannot survive for long.

So, imperialism opens up the possibilities of revolutions, because the intensification of inter-imperialist rivalries for world domination, inevitably leads to

wars, which, in turn, tend to weaken the whole imperialist system. Lenin's brilliant analysis has been vindicated by World War I, which was followed by the Russian Revolution, and World War II, which led to the Chinese, Vietnamese, Cuban and Korean Revolutions and later to the uprising of African colonies for independence, through wars (Algeria, former Portuguese and British colonies in Southern Africa) or negotiations.

III) African Perspectives on Imperialism

Africa is one of the regions of the world which has suffered the most from capitalist exploitation and imperialist domination. Africa's tragic encounter with capitalism dates back to the Atlantic slave trade, at the birth of the capitalist system. In the *Capital*, Karl Marx indicated that the slave trade was a significant part of what he called "primitive accumulation" of capital. Africa and other non-European nations paid a heavy price to the birth of capitalism through genocide, the destruction of their cultures and the looting of their resources. Ever since, Africa has been subjected to capitalist plunder and imperialist domination, especially in the 19th century, when leading European imperialist nations carved up the continent at the notorious Berlin Conference of 1884-1885. The fate of Africa was sealed for centuries to come. Therefore, one cannot understand Africa's predicament without taking into account her encounter with Western countries since the dawn of capitalism in the 15th century. Several prominent European cities, banks and companies were built on resources extracted from the slave trade. Bordeaux and Nantes, in France, and Liverpool, in England, are notorious in this regard. British Barclays Bank and Insurance Company Lloyds have also been built on resources extracted from the slave trade (Rodney, 2001).

In fact, Europe's development, in particular its industrialization, owed much to the fierce exploitation of the African continent, through the plunder of its natural resources, the use of its labor force and the control of its markets.

A) Walter Rodney's Seminal Book

Walter Rodney is from Guyana, a former British colony on the Caribbean Islands. He was a revolutionary and Pan-Africanist, who visited several African countries, notably Tanzania. He lived in that country, during a period of great optimism and revolutionary debates on imperialism and socialism, with other fellows who went on to become renowned scholars and revolutionaries, such as Yash Tandon, Dani Nabudere, Issa Shivji and several others. It was a time of stimulating debates on the concept of "African socialism," with the "Ujaama" experience under President Julius Nyerere, Tanzanian first President and a committed Pan-Africanist. Tanzania was seen as the "Mecca" of African revolutionaries, with the presence of leaders of

Liberation movements from Angola, Mozambique, Namibia, Rhodesia (today's Zimbabwe) and South Africa.

It was during such extraordinary period that Walter Rodney wrote his seminal book *How Europe Underdeveloped Africa*, first published in 1972 in Dar es Salaam, the Tanzanian capital. Looking at Africa's underdevelopment and "backwardness," from a Marxist perspective, Walter Rodney argued that the destruction of Africa's social structures after the invasion of European forces, the plunder of its resources and the control of its markets by foreign powers contributed to the development of Europe and the concomitant stagnation of African societies.

Walter Rodney provided a thorough analysis and detailed examples in several countries, with compelling statistics about the extent of Africa's loot and its consequences. For centuries, huge wealth was extracted from African soil and sent to Europe. Rodney's book completely changed how scholars used to analyze the roots of Africa's underdevelopment.

Rodney gave detailed analysis on how European imperialist powers deprived African populations of their lands and resources. Precious metals (gold, diamonds, silver) and other natural resources were taken away to European countries to serve their industrialization. In fact, Rodney showed that wealth from Africa contributed not only to the economic development of colonial powers, but also to their scientific and technological progress.

Indeed, the experience of colonialism showed huge wealth was extracted from so-called "poor" African colonies for the benefit of European imperialist powers.

Individuals and European companies made huge profits from gold, diamond, copper, uranium, bauxite extracted from African mines. "*From the very beginning of the Scramble for Africa, huge fortunes were made from gold and diamonds in Southern Africa by people like Cecil Rhodes…*" (p. 152).

The Congo (today's DRC), was a source of huge wealth for its colonial power, Belgium.[2] Guinea played a similar role for France (p. 172-173).

As for the citizens of colonies, they were used either as cheap labor by colonial companies or worse still as cannon fodder in both World Wars and in colonial wars against other colonized nations. For instance, soldiers from Senegal and other colonies in the French colonial army were used during the Algerian War of independence or during the Vietnam War (p.185-190).

2 It is useful to indicate that Congo was declared private property of Belgium's King Leopold II!

B) Kwame Nkrumah's contribution

Kwame Nkrumah is the first President of Ghana, the first African country to gain independence from British rule in 1957. He was one of the leading figures in the Pan-Africanism movement, along with other prominent figures from the Diaspora. Nkrumah was a Marxist, a visionary and charismatic leader. He played a key role in the creation of the Organization of African Unity in 1963, which became the African Union in 2001. In addition to being a charismatic leader, Nkrumah was a thinker, who wrote several books on capitalism and imperialism. One of these books is *Neocolonialism, the Last Stage of Imperialism,*, first published in 1965.

In this book, he argued that since direct colonial rule has become more and more difficult, after the wave of independence in the 1960s, imperialist powers have resorted to neocolonialism to continue their domination over former colonies or over other weaker countries and nations. Neocolonialism is an indirect control over a State and over key economic and financial sectors. As a result, formal independence has no meaning, since imperialist powers continue to set priorities for the dominated countries. This domination is not only economic and financial, but also in some cases, military domination, with the presence of former colonial powers' military bases. Neocolonialism perpetuates the underdevelopment of the dominated State and makes its economy more and more dependent on the imperialist countries' economies.

President Nkrumah argues that Africa's "balkanization," meaning its division into small and weak states, has made it an easy prey for neocolonialism, due to its immense resources. With weak governments and institutions, it is easy for imperialist powers to impose their will on African countries, especially those rich in mineral resources. Outside powers can easily impose puppet governments in those countries. President Nkrumah listed dozens of Western companies and banks controlling African economies in "independent" countries, and in key sectors, such as gold, diamond, silver, copper, crude oil, uranium, tin, etc.

Neocolonialism persists in several African countries to this very 21st century, especially in former French colonies. Since the 1960s, France has engineered "regime change" through coup d'etat in several of its former colonies, like Central African Republic, Mali, Chad, Niger, Benin, Burkina Faso, Cote d'Ivoire and Togo. The list does not include failed attempts in some of the same countries, when docile governments get out of control.

Other cases outside the French influence, include Ghana, where President Nkrumah himself was victim of a coup d'etat engineered by British and US intelligence, because he was seen as a "dangerous communist" and an influential leader in Africa. Patrice Lumumba, of today's Democratic Republic of Congo, was atrociously murdered after he was toppled by a coup engineered by the CIA and Belgian intelligence.

President Nkrumah goes on to claim that Western imperialist powers have created new forces they can use in their strategy of destabilization, domination and exploitation. He puts in that category Western Non-Governmental Organizations (NGOs) funded by Western intelligence. Examples include some so-called "humanitarian" or "anti-corruption" NGOs. President Nkrumah also argues that mass media controlled by multinational corporations (MNCs) are instruments of Western imperialism. All these entities contribute to propagating Western ideology of domination, oppression and exploitation.

In conclusion, President Nkrumah says that neocolonialism is not only an economic, financial and political phenomenon, but also a cultural, religious and ideological phenomenon. Indeed, the ideology of European "superiority" was one of the driving forces behind the colonization of Africa. Walter Rodney observes that "*all Europeans had derived ideas of racial and cultural superiority between the fifteenth and nineteenth centuries, while engaged in genocide and enslavement of non-white peoples*" (p.138).

Writers and poets contributed to inculcating this racial and cultural "superiority" in the minds of ordinary citizens in leading imperialist countries, especially in England and France. In a masterly analysis in his much acclaimed book *Culture and Imperialism* published in 1994, the late Edward W. Said demonstrated, with facts and examples, from Africa, Asia and the Caribbean, how some of the well-known British and French writers and poets contributed to shaping the mood in their respective countries in support of territorial conquests and occupation of foreign countries. These writers and poets made imperialism not only an inevitable fact but also legitimate as a civilizational act.

One of the most prominent English writers, Rudyard Kipling set the tone by dubbing imperialist conquest "*the white man's burden*"! Burden in attempting to "civilize" non-European people by taking away their land, plundering their resources, destroying their cultures and committing genocide and other heinous crimes against them! This is how the "white man's burden" has translated in African, Asian, Caribbean and Latin American countries.

On the French side, horrendous crimes were committed in most of its former colonies, notably Algeria, Cameroon, Madagascar, Senegal, Tunisia, Vietnam, and in several other former colonies.

Colonialism was never an act of "civilization." On the contrary, it was an act of subjugation of people, of genocide, of destruction of cultures and brilliant civilizations. This is why the United Nations declared that colonialism is a crime against humanity.

C) Samir Amin's Analysis of Contemporary Imperialism

Samir Amin has dealt with the issue of imperialism in many of his books, over the last 60 years or so. His analysis of imperialism was vindicated by the collapse of market fundamentalism in 2008. Building on Lenin's insights, Samir Amin (2012) argues that historical capitalism has evolved through permanent dispossession of dominated countries of the South. In the 21st century, the characteristics analyzed by Lenin have been further accentuated. Concentration of capital has accelerated through mergers and acquisitions that have concentrated capital and production in fewer hands than never before. Meanwhile, a small number of countries wield an enormous political and military weight, shaping the world order, after the end of World War II.

The United States imperialism is at the head of what Samir Amin (2012) calls collective imperialism of the Triad, composed of the United States, Japan and the European Union. In Samir Amin's view, the Triad is a response to growing challenges to western imperialism's economic, political and military hegemony from rising powers from the South and non-aligned countries. To fend off these challenges, western imperialist countries tend to downplay their rivalry and form a front against what is perceived as a collective threat to their hegemony.

In its confrontation with rivals and enemies, the Triad has a number of instruments aimed at protecting and promoting its interests around the world. The economic and financial instruments are the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO) and the Organization for Economic Cooperation and Development (OECD). Despite being multilateral institutions, the first three institutions have been under the control of Western countries since their inception.

The military instruments of the Triad are mainly the US Armed Forces and the North Atlantic Treaty Organization (NATO). This aggressive organization has been preserved and even expanded after the collapse of the Soviet Union and the disbanding of the Warsaw Pact. In several regions, NATO is in the forefront to serve US imperialism and its subservient allies.

For Samir Amin, another key feature of the imperialist Triad in the 21st century is its monopoly in five key areas:

- Access to natural resources
- Money and finance (control of the international financial system)
- Mass communication (control of major communications outlets)

- Arms of mass destruction (possession of nuclear and chemical weapons by the US, France and the United Kingdom)

- Technology (control of advanced technology, space exploration)

However, in some areas (access to natural resources; weapons of mass destruction; technology) the monopoly is being increasingly challenged by rising powers from the South and Russia.

Analyzing Western imperialism strategy in the current crisis of global capitalism, Samir Amin argues that the United States and its allies use a two-track approach. The first approach consists of imposing neoliberal policies, bilaterally, or through the IMF and the World Bank, to open up markets around the world and get easier access to natural resources. The second approach, which complements the first one, consists of increased militarization to protect their corporations, keep away rivals and attack their enemies, as illustrated by aggressions against Libya, Syria and sanctions against Iran.

In the next section, we will analyze how this two-track strategy is used in Africa by monopoly capitalism.

IV) Exploitation of Africa by Monopoly Capitalism

Africa seems to be the new frontier of global capitalism. Several leading figures – politicians and economists – in the West think that Africa's resources are the key to resolving the systemic crisis of capitalism. The Africa/US Summit in August 2014 in Washington – the first ever of its kind – and the growing attention to Africa from Western countries and their institutions are an illustration of how Africa has become important to monopoly capitalism and to the geopolitical strategy of Western imperialism. This explains why all kinds of neoliberal policies are being proposed to African countries while military interventions have increased, under several pretexts. But all this has one single aim: getting access to the continent's resources and markets!

A) Economic and Financial Policies

The crisis of global capitalism, following the collapse of market fundamentalism in 2008, has led to increased pressure on African countries to accept "free trade" agreements with the European Union, the United States and intensify economic relationships with Japan. During a continental trip in January 2014, the Japanese Prime Minister, Shinzo Abe, during a stop in Addis Ababa (Ethiopia), the headquarters of the African Union, was quoted as saying "*Africa, with its immense resources, is holding on its shoulders the hopes of the world.*" Of course, the "world" Mister Abe is referring to is the world of monopoly capitalism.

The European Union has been trying to impose "free trade" agreements on Africa since 2007, under the name of Economic Partnership Agreements (EPAs). The aim is to lock African countries into legally binding agreements which would allow European monopoly capitalism to get greater access to Africa's natural resources and markets. Resistance from peoples' movements and some states has so far derailed the European drive.

Meanwhile, the United States has tried to catch up by organizing the Africa/SU Summit in Washington, with dozens of African Presidents and Prime Ministers around President Barack Obama. The main outcome of the Summit was to find ways to develop further economic and financial ties so as to help US corporations and banks catch up with their European and Chinese rivals.

So, the current discourse on "Africa Rising" and most economic and financial policies currently proposed to Africa should be understood in relation to monopoly capitalism's drive to tap into the continent's natural resources and open up its markets. Land grab has taken alarming proportions with African farmers losing millions of hectares to the benefit of foreign countries and multinational corporations (TNI, 2013). No country is spared. Land grabbing poses a major threat to agricultural production, as Africa would need to produce more food to feed its own population. But the promotion of agribusiness and biofuel has prompted several African countries to sell or rent vast areas of land to foreign hands.

Another neoliberal policy being promoted in Africa is the public-private partnership (PPP), which allows private companies to use public funds to build projects and extract maximum profit (Hildyard, 2016). This policy is being used in infrastructures, with projects worth hundreds of billions of euros. At the same time, under the prodding of the IMF and World Bank, African countries are urged to attract more foreign direct investments (FDIs) to accelerate their "development" and insertion into "the world economy."

But in reality, most of these policies will only accelerate the plunder of the African continent. Their implementation in the past has resulted in a huge financial hemorrhage for Africa. In a joint report released in 2013, the African Development Bank and the Global Financial Integrity (AfDB & GFI, 2013) indicated that between 1980 (start of the infamous and disastrous SAPs) and 2009, Africa has lost between 1.22 trillion and 1.4 trillion US dollars, on a net basis. Over the 30-year period under review, this means that Africa has transferred to the rich countries an average of 41 to 47 billion US dollars a year! This was confirmed by another report from the Mbeki Panel for the Economic Commission for Africa (ECA, 2015), which says that Africa loses around 50 billion dollars a year, most of it in the form of illicit financial outflows.

Therefore, all the neoliberal policies outlined above will only benefit monopoly capitalism and deepen Africa's underdevelopment and dependence. However, Western countries seem determined to make Africa the new frontier of monopoly capitalism to prevent its demise. This is why the militarization of the continent has accelerated in the last few years. War on terrorism and "humanitarian assistance" are the main pretexts for the intensification of Western imperialist intervention in Africa.

B) Militarization of Africa

The aggression against Libya by NATO on "humanitarian" grounds and the assassination of its leader, President Gadhafi, is one of the most dramatic developments in terms of Western imperialist military intervention on the continent. Now, Libya has become a lawless country, a nest of terrorist groups, some of which are manipulated by Western countries to destabilize neighboring countries. Since the destruction of Libya, the whole Sahel region is under the threat of terrorist attacks. Mali has been the first collateral victim of Western imperialist aggression against Libya. The invasion of Northern Mali by groups coming from Libya has destabilized that country for the foreseeable future. In fact, ever since that invasion, Mali has seen some parts of the country out of control of central government. Hundreds of UN peace-keeping forces are in the capital Bamako and elsewhere but they have not been able to restore peace and stability.

After Mali, terrorist attacks hit Burkina Faso, Ivory Coast and Niger, all in West Africa. Other countries, like Senegal, are under threat. Meanwhile, the Nigerian terrorist group Boko Haram has taken its activities to Cameroon and Chad. So, entire countries are destabilized, with thousands of their citizens displaced.

Western countries have taken pretext of that destabilization to strengthen and even expand their military presence. Niger is getting a particular attention because of its uranium controlled by the French public giant AREVA. Lately, Germany is set to open a military base in Niger. Also in Niger, the United States is operating a base for drones. Meanwhile, France has expanded its presence in the region by opening a new military base in Mali, following its intervention in that country. It has strengthened its military presence in countries such as Côte d'Ivoire, Niger, Chad and the Central African Republic. It has signed "security" agreements with countries like Burkina Faso and Senegal on the pretext of strengthening their capacity to respond to terrorism.

It is in that general context that Senegal has signed a military agreement with the United States to facilitate operations for AFRICOM.

The Case of AFRICOM

US imperialism has been paying more attention to Africa over the last several years. And it is adapting its geopolitical strategy as a result of Africa's growing importance in economic and geopolitical terms. It is in light that the Bush Administration set up the Africa Command, better known with its acronym AFRICOM.

The United States seeks to move AFRICOM Headquarters from Stuttgart (Germany) to Africa. But so far, it has failed to find a suitable location. Through AFRICOM, the United States is infiltrating several African defense and security forces, through high-level contacts and military drills, called **Flintlock**. Over the years, these drills have involved several hundred African soldiers from several countries. AFRICOM played a leading role in NATO's aggression against Libya.

In the absence of finding a host country, AFRICOM is trying to find strategic support points in the Gulf region for rapid response needs. It is within this framework that an agreement was signed with Senegal. Similar agreements have been signed with Ghana and Gabon. According to the agreements, the three countries will receive every six months the visit of the "Special Purpose Marine Air-Ground Task Force–Crisis Response–Africa" that will work with local defense forces and governments.

In reality, the true aims of AFRICOM are to militarize Africa (the US has already a military base in Djibouti) in order to gain a solid and permanent military presence on the continent. This way, it will provide a more effective protection for US interests, especially investments in the oil sector, notably in the Gulf of Guinea region,[3] where experts say lie most of the continent's crude oil reserves. Finally, through AFRICOM, the United States aims to get a strategic advantage over potential rivals, like China and Russia, which are building closer ties with Africa. In fact, China is now the continent's leading trading partner and one of its main lenders.

V) Summary and Conclusions

The analysis of imperialism developed by Lenin 100 years ago has stood the test of time. The main features he outlined are even more pronounced in the 21st century. The world is witnessing every day more concentration of capital through mega mergers and acquisitions. Monopoly capital has taken the form of multinational corporations (MNCs). To the extent that a few companies control more than half of the world production of goods and services. The sales of one MNC can be higher than the GDP of many countries in the South. States have become powerless as corporations wield more and more power.

3 The Gulf of Guinea is a vast area, with notably Angola, Congo, Equatorial Guinea, Gabon, Nigeria, Sao Tome & Principe, all big oil producers.

Imperialism has become more aggressive and its drive for world domination is even more pronounced today than ever before. But the 21st century is characterized by the preeminence of one super imperialist, the United States. It has become the leader of subservient imperialists to form what Samir Amin calls collective imperialism of the Triad (US, Europe and Japan). Confronted with the crisis of global monopoly capitalism and growing challenges from rising powers from the South, the imperialism of the Triad is pursuing a two-track approach to hold on to its hegemonic position or delay the birth of a multipolar world order.

Finance capital has become more powerful and taken over the real economy. Financial markets dictate economic and social policies in most countries, even in so-called "democratic" western countries, to such an extent that democracy has become an empty word.

At the geopolitical level, imperialist powers have become more aggressive and multiplied interventions around the world, as their hegemony is being increasingly contested by countries like China and a resurgent Russia. This explains the invasion of Iraq, military aggressions against Libya and Syria, and the manipulation of terrorist groups to destabilize several other countries. These aggressions are done on "humanitarian" grounds or the threat of terrorism (Mali), policy of "regime change" (Iraq, Libya, Syria).

US imperialism and its subservient allies, the European Union, Japan and others, have developed powerful instruments to defend their aggressive policies everywhere in the world. Military instruments include the Pentagon and NATO, the main tools for military adventures to defend the interests of multinational corporations and big banks and for the control of resources.

In that regard, Africa has become the prime target of monopoly capitalism through the imposition of neoliberal policies and aggressive militarization policy. After having weakened most states through IMF and World Bank-imposed policies in the 1980s and 1990s, Western imperialism is using terrorism to further destabilize Africa and use it as a pretext to launch military interventions, with the view to getting a strategic advantage over challenging powers and also prevent popular resistance against imperialist domination and exploitation.

The new "Scramble for Africa" leads a growing number of African scholars and activists to argue that the current wave of Western military intervention and the intensification of the exploitation of Africa's natural resources are reminiscent of colonization. So, many do not hesitate to claim that if African leaders and peoples are not prepared enough to resist this new wave of Western imperialist intervention, the world may witness the recolonization of Africa.

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The Current Phase of Imperialism and China

Pao-yu Ching

In *Imperialism: The Highest Stage of Capitalism*, published on the eve of Russian's October revolution in 1917, Lenin analyzed imperialism as a qualitative change in the capitalist relations of production when monopoly finance gained control. As such, Lenin made the most important contribution to our understanding of capitalism (imperialism) since Marx and Engels' groundbreaking work. Capitalist development over the last 100 years has not changed the fundamentals of imperialism as analyzed by Lenin, but it has added new developments. These new developments are significant enough to constitute a new phase of imperialism in the highest stage of capitalism. Lenin, and later Mao, based on Lenin's analysis of imperialism, developed the strategy for liberating exploited people in their countries, which were imperialism's weakest links. The 1917 revolution in Russia and the 1949 revolution in China proved that enslaved people in oppressed countries can indeed liberate themselves to embark on a socialist path and achieve independent economic and political development. The successes of these two major socialist revolutions also proved the importance of revolutionary theory and correct strategy derived from the theory.

The Second World War (WWII) broke out a little over two decades after Lenin's *Imperialism: The Highest Stage of Capitalism* was published. After the war many former colonies fought and gained their independence only to discover that they did not gain the political or economic sovereignty to develop their economies to satisfy their peoples' needs. While both World Wars were fought among different imperialist powers, since the end of the WWII, all wars – from the Korean war, the Vietnam War, numerous US overt and covert military invasions into Latin American countries, to the ongoing and already more than one and a half decade-long war in Afghanistan and Iraq – have all been wars imposed by imperialist countries, chiefly the United States, on developing countries. Moreover, many countries, that gained independence after WWII, have been continuously fighting civil wars, mostly as a result of past colonial rule and current imperialist interventions. Displaced people from wars and from famine created the biggest refugee crisis in recent history.

Since 1979 we have witnessed how the Reform in China has turned it into a capitalist country and integrated it into the world capitalist system. Then in 1991, after 35 years of revisionism, the Soviet Union collapsed, followed by the economic disintegration of Eastern European countries. For all other developing countries, even though the colonial structures faded away, the suffering and deprivation that people in these countries have endured continued, and even intensified. In the past

100 years capitalism has gone through recurring, and bigger and deeper crises. Today many people posit that Russia and China are rising to become emerging imperialist powers, competing with existing imperialist powers.

What should our focus be when we study this new phase of imperialism in regard to China? Is China an emerging imperialist power? How is the rivalry between China and other imperialist countries especially the United States going to play out? Should we be mainly concerned with the rivalries amongst imperialist countries, new and old?

This paper chooses not to focus on relations between China and other imperialist countries even though that is an important topic. This paper is going to focus on the current phase of imperialism and China's role in it. If we understand the current phase of imperialism correctly, it can help us develop the correct strategy to struggle against it. This strategy is based not only on our understanding of the relations amongst imperialist countries but also on our understanding of relations between imperialist countries and oppressed (developing) countries. Just as important, if not more, this strategy has to be based on our understanding of the class relations within countries in today's world.

I. The Current Phase of Imperialism – how did we get here?

1. The Transformation of Imperialism into a New Phase

During the Great Depression era that began in 1929 and lasted until the outbreak of WWII, imperialist countries used exports of their surplus products as a way to relieve the pressure of over-production. They used high import duties to block imports while depreciating their currencies to boost exports. These measures caused chaos, thus drastically reducing international trade and further intensifying their economic depression. After the War the United States took the lead and with its allies in the war established the post-war imperialist order. At the Bretton Woods Conference in 1944, they founded the International Monetary Fund (IMF) and the World Bank (International Bank for Reconstruction and Development, IBRD). The IMF established fixed exchange rates based on USD35 equaling to one ounce of gold with all other currencies fixed to the US dollar.[1] Then in 1948 the General Agreement on Tariff and Trade (GATT) was set up to push down import tariffs and reduce other non-tariff trade barriers. These post-war monetary and trade regimes laid down the necessary institutional framework for the new phase of imperialism and twenty-some years of prosperity for capitalism.

In the years following the end of war the United States had the unique opportunity to export goods to Europe and Japan to help their economic recoveries,

1 The US promised that centrals banks could take the US dollars they held to exchange into gold.

so it maintained trade surpluses for a few years. But its overall balance of payment turned negative due to US business investment abroad and US spending on military bases around the world. By the end of the 1950s, the deficits in the US international accounts increased, and countries began taking their dollars to exchange into gold held by the US. US gold stock decreased. As the United States lost its gold stock, the dollar's devaluation from its fixed exchange rate (USD35 = 1 oz. of gold) became unavoidable. After two devaluations, in August 1971, the US government under President Nixon unilaterally declared the suspension of dollar's convertibility into gold.

Before the 1971 announcement the United States government briefly imposed capital control limiting the quantity of dollar outflow. By that time there were already large numbers of US multinationals doing business in Europe. These businesses needed US dollars for investment and daily transactions. Since they were not allowed to move capital from the US to Europe as freely as they wanted, they decided to keep their profits in dollars and deposit them in American banks in Europe (mostly in London.) Throughout the 1970s the dollar deposits in banks in Europe (known as Euro-dollars) grew at over 25% per year; Euro-dollars increased from USD85 billion in 1971 to USD2.2 trillion in 1984 and then to USD4 trillion in 1988. This large amount of Euro-dollars outside of the United States was critically important in establishing the dollar as an international currency and the US' leading role in global finance.[2] This was the beginning of the flooding of tremendous amounts of US dollars into other countries, providing the US with the unique opportunity to establish a lead in international finance. In the decades that followed both the European Union and Japan wanted to expand the influences of their currencies in order to compete with the United States in the field of global finance. They did not succeed because the amounts of their currencies outside of their countries were not large enough.

The quantity of US dollars outside of the US further increased with higher US deficits in its international account after Nixon delinked the dollar from gold. After a brief capital control in the late 1960s (see above), the US has kept an open capital market so funds can easily flow in and out the country. Additionally there is a very large US government securities market where other governments, businesses, and private individuals can park their dollar holdings for any length of time, making the dollar the most liquid financial asset. US dollars make up the majority of trading in the world's foreign exchange market – its trading averaged USD5.3 trillion a day in 2014. The majority of this high volume daily dollar trading is not for trade but for holding US dollars as a liquid asset and constantly exchanging it into other currencies and assets. In the decades following 1971 this initially perceived weakness of US deficits and debt has become its strongest weapon, giving the US dollar its current hegemonic status and exorbitant privilege no other nation has ever enjoyed.[3] Every

2 The reason for the extraordinary Euro-dollar expansion was that these banks, which were called "stateless banks," were not regulated to maintain any legal reserves like ordinary banks. But these banks and their dollar deposits and loans were legalized by the US and UK governments. (See Helleiner)

3 Charles de Gaulle's Finance Minister coined the term "Exorbitant privilege." See Eichengreen.

dollar outside of the US is US debt. The US is the only country in the world that is not obligated to pay its debt.

II. What are the Major Characteristics of the Current Phase of Imperialism?

There are several distinctive characteristics that set the current phase of imperialism apart from the earlier phase analyzed by Lenin. These characteristics resulted from basic contradictions of the capitalist production and accumulation, as well as new strategies capitalists in imperialist countries have used to deal with the stagnation and reoccurring crises that resulted from such contradictions.

1. The Hegemonic Status of US dollar and the US Domination in International Finance

The most important features of this new phase of imperialism that emerged from the Bretton Woods Conference was the hegemonic status of US dollar and the US domination in global finance. Contrary to any traditional logic, the US dollar was further strengthened when it was de-linked from gold and when its deficits continued to accelerate. Dollar hegemony has meant that the United States as a debtor country can continue to run deficits in trade and in overall international balance of payments. Creditor countries – currently the largest ones are China and Japan, but also include Germany, South Korea and other developing countries, such as Mexico – are obliged to continue loaning more money to the United States. It was through these loans that savings in China, Japan, and other countries have been transferred to the United States. These transfers continue, due to the fact that the economies of these countries are dependent on trade surpluses to maintain growth and have to take in more US dollars than they need or want.

As the US piles up its debt the US dollar has become the international currency of the world; it is now the medium of exchange, the unit of value, and the store of value for all countries, and is also the chief form of foreign exchange reserves in their central banks. The US dollar transformed from the currency no country wanted to hold during the remaining years of Bretton Woods (the late 1960s to 1971) to the currency that central banks of all countries, businesses, and private individuals are holding today; it is very liquid and can be easily exchanged into other currencies at any moment and used to pay current account deficits or other international transactions. It pays interest (though low) when exchanged into US government bonds and securities. The hegemonic status of the US dollar is based on the economic, military and political power of the US imperialist state; the structure of its highly financialized economy; and the size and depth of the US financial market.

Although Lenin explained the importance of finance capital in the early 20th century, finance capital never had such far-reaching power until the early

1970s and its power has only exponentially increased in the last four decades. The liberalization and de-regulation of financial institutions and transactions during the neoliberal globalization since the 1980s have freed financial capital from government regulations. Through manipulation via new technology in communications and the power of imperialist states, finance capital has gained more capacity to shift various crises from one part of the world to another, as we have witnessed from reoccurring and intensifying crises from the 1980s and throughout the 21st century.

Throughout these financial crises the status of the US dollar has only been strengthened – at least in the short-run. The United States has continued piling up its debt by printing more dollars and Treasury Bills and Bonds. Through its dominance in international finance, the United States has continued to deprive other countries from using their savings for their own development. Global US dollar reserves have grown from USD1 trillion in the 1980s to more than USD10 trillion today – all of which in fact is United States debt.[4]

Lenin emphasized the role of rising monopoly financial capital in his analysis of imperialism. The strength of monopoly financial capital has increased exponentially in the past 100 years. For the sake of larger financial gains, finance capital has been able to inflate asset prices by flooding the world with tremendous liquidity thus inflating debt and creating increasingly bigger financial bubbles and crises. We witnessed the crisis of Latin American countries in the 1980s and again in the 1990s, the prolonged economic depression in Japan since the bubble burst in the early 1990s, the crisis of Southeast and East Asian countries and Russia in the late 1990s, the most recent and lingering global crisis in 2007-2009 and beyond, and the sovereign debt crises in Southern European countries that continue to this day (Lapavitsas). Moreover, bubbles created by finance capital have fueled speculations in residential and commercial construction – the building of resorts, golf courses, upscale hotels and other tourist facilities at a maddening pace all over the world. Such construction has taken over farmland, forests, pastures, and seashores, and thus destroyed the livelihoods of farmers, fisher-folks, herdsmen and others who had lived productive and self-sustaining lives. The expansion of financial bubbles followed by their bursting caused damage no less than all-out wars to these economies. While financial capital is addicted to these ups and downs, ordinary people have suffered severely as a result.

2. The Internationalization of Production and Accumulation

By the mid 1970s the contradictions of the capitalist system became more pronounced, when the rate of growth slowed down and capital accumulation stalled. The 1980 pact between Reagan and Thatcher, the now well-known neoliberal strategy of capital accumulation, was designed to use global monopoly capital expansion to mitigate the deepening crisis of capitalism. The imperialist states

4 *The Economist*, February 11th-17th, 2017, 65

implemented a whole set of sweeping neoliberal economic and political policies which include globalization, liberalization (de-regulation), and privatization – and pushed the developing countries to do the same. In earlier post-war years, even though developing countries were under pressure to open up their borders to let in foreign goods and investment, many governments resisted the pressure in hopes of building more independent economic development. However, by the 1980s most of these countries experienced the acute crises linked to the foreign debts they owed, which left them no choice but to accept the conditions set by monopoly capital and imperialist states via the tools of the IMF and GATT, or risk defaulting on their loans (see below). When neoliberal imperialist globalization gave monopoly capital the freedom to venture across national borders to occupy all corners of the world, it provided the conditions for the internationalization of production and accumulation. This new reality has given global monopoly capital the freedom to strategize their production and accumulation by allowing it to construct global supply chains.

Back in the beginning in the late 1960s four client states (or territories) of the United States: Taiwan, South Korea, Hong Kong, and Singapore were chosen as testing ground for the export-led growth model. Multinational corporations invested in these countries (territories) for the sole purpose of exporting their products. The export-led growth strategy created the myth that when developing countries increase their exports at all cost, growth and prosperity were surely to follow.

In the early 1980s many developing countries, especially countries in Latin America, went through disastrous foreign debt crises that sank their economies. The origin of their foreign debts was money they had borrowed from international banks in the 1970s, when they needed the foreign exchange to pay for the higher price of oil due to the OPEC cartel's control over the market. Large international banks, mostly US banks, with some German and Japanese banks, flush with deposits from OPEC countries were eager to loan.[5] When these debt-ridden countries had trouble making their debt payments, the imperialist countries used the IMF's tools, such as the Structural Adjustment Program (SAP), to liberalize, to privatize their economies and to squeeze everything they could out of these countries to repay their foreign debt. The SAPs forced these governments to go through severe austerity programs to cut their health and education spending, and eliminate food, transportation, and other subsidies to the poor. The SAPs also forced these countries to eliminate any restrictions on foreign capital, to de-regulate and to privatize. Asian countries went through the same ordeal during and after their crisis in the late 1990s. After going through rounds of severe restructuring, these developing countries suffered both inflation and unemployment and no longer had any option or ability to develop independent capitalist economies. Without other options, they and China, which had just begun its Capitalist Reform and Opening Up policies, joined in to be fully integrated into the international capitalist system and actively participate in the internationalization of production as designed by global monopoly capital.

5 This is what came to be known as banks' recycling the petrodollars.

The internationalization of production is concentrated in industrial production, which can be broken into small parts to be done in different production sites in different countries. Global monopoly capital determines how the production is to be divided according to its production and marketing strategies. But internationalization of production went beyond just manufacturing products and into agricultural production as well. As developing countries grow more dependent on food grains imports from large grain producing countries, they use more and more of their own land and other natural resources such as water and labor, to produce beef, chicken, fish, shrimp, animal feed, pet food, fruits, honey, vegetables and flowers for export.

Global monopoly capital has transformed once self-sufficient farmers and fisherfolk into export commodity producers. For instance, fish caught in Chile seashore which was the chief source of protein for the people, is now made into fish meal by Purina Cat Food for household pets, and vegetables and fruits produced by Mexican farmers are no longer for domestic consumption but mainly for export to the United States. India, a country with many hungry and malnourished people, is exporting soybeans for animal feed to Europe.

The consequences of globalization, liberalization, and privatization have displaced tens of millions of people who had been active producers. With meager wages from these exporting jobs they cannot even afford to buy the food they produce let alone other necessities of life. On a large scale, rich resources in poor countries have been converted from producing food and other necessities people need, into commodities sold on the global market. Poor people in developing countries compete with cats, dogs, and cattle in rich countries for their basic food needs. Moreover, imperialist globalization has given monopoly capital the freedom to penetrate into all spheres of production including what used to belong to the public domain – such as transportation, public utilities (especially water), and education and health – turning public goods into commodities for sale. Through the enforcement of the new Intellectual Property Right laws the large transnational agribusinesses have monopolized the world's plant seeds through their genetic engineering.

In addition to manufacturing and agricultural production, the production of services (to the extent possible) has also been globalized. The final General Agreement on Trade in Services of the World Trade Organization (WTO) became effective on January 1, 1995. Although theoretically this agreement allows a country to decide which service sectors they want to open up, in reality a country is constantly under pressure from the WTO and from Regional Trade Agreements and other bilateral and multilateral trade agreements to open their service sectors. Once a country opens up its service sectors, it has to apply the rules of national treatment to all foreign businesses, meaning it cannot favor domestic over foreign firms. The list of services included in this agreement is vast and would take several pages to list. But main categories include business services, communications, construction, distribution (wholesale and retail), education (from primary school to college),

environment, finance (banks and security), healthcare, tourism and travel, recreation (entertainment), transport (air, rail, and road). The production of many of these service categories has already been globalized – especially important are the financial, education, healthcare, entertainment, communication, and distribution sectors.[6]

Countries have increased their participation in the internationalization of production, which is measured by the Global Value Chains (GVCs), in which countries import more foreign inputs to produce final goods. In 1995, 36 percent of the world trade in goods and services took place in GVCs. In 2011 that percentage went up to 49 percent.

The neoliberal approach to globalization was able to succeed because it relied on the international financial and trade institutions, such as the IMF, WB, and GATT (later the WTO) and the hegemonic US dollar. These financial and trade institutions, with the help of imperialist states, destroyed the ability of many developing countries to build and manage their own economies, as well as their ability to produce food to feed their own people. This enabled global monopoly capital to dominate nearly all productive activities globally for the sake of profit maximization.

Countries participating in the internationalization of production had to create the most favorable conditions for transnational corporations (TNCs) to produce there. TNCs have taken advantage of their competition with each other to employ labor with most appropriate education and skills and lowest wages, as well as enjoy low taxes and modern infrastructure, lax labor laws, and the least restrictions on foreign ownership and profit repatriation. Additionally they also enjoy the freedom to leave all of their production waste on foreign soil. In the current phase of imperialism, the trade and investment regime and the hegemonic dollar greatly facilitates the internationalization of production and accumulation.

Developing countries have to keep up with their exports in order to have any economic growth. Therefore, they cannot let their currencies appreciate when they receive more and more US dollars from trade surpluses. They are forced to keep US dollars (or buy US government securities) in their central banks. When these countries hold low interest paying US government securities, while at the same time pay high rates of returns on the foreign investments in their countries, this amounts to another layer of exploitation. This new strategy of capital accumulation is based on the internationalization of production, which has incorporated nearly all productive activities in the world under the control of global monopoly capital. The process of this incorporation would not have been possible without US dollar hegemony and the collapse of the capitalist economies in many developing countries, as well as China's commitment to cooperate with the global monopoly capital. This

6 World exports of services increased from $1.2 trillion in 1995 to $2.5 trillion in 2005, and to $4.9 trillion in 2014. An example of American export of education services is the Bridge International Academies operating for-profit primary schools in African countries, The Economist, January 24th-February 3rd, 2017, 53-54.

new strategy has proven to be most advantageous to global monopoly capital and extremely detrimental to working people around the world in both developing and imperialist countries.

3. The Interconnectedness of the Global Capitalist Class

During the earlier phase of imperialism, in a semi-feudal and semi-colonial society like China before the revolution, the national capitalists played a positive role in the new democratic revolution. In the post-WWII era, national capitalist also played an important role in the national liberation movements in many developing countries. However, in this current phase of imperialism, capitalists in developing countries have given up any attempt to develop their economies independent of the global monopoly. Instead, they are working closely with global monopoly to get a share of profits in the internationalization of production and accumulation. The room for negotiation between global monopoly capital and capitalists in developing countries is getting smaller, because the rules about how to conduct international businesses have been largely institutionalized. Although capitalists in developing countries have been forced to share the markets and profits with global monopoly capital, they have also been rewarded handsomely. There are now numerous cases of very successful capitalists in some developing countries who have become multi-billionaires, and their companies are listed among companies of imperialist countries in the Fortune 500. The interests of these capitalists and even their survival are closely tied with the international capitalist system. Therefore, these capitalists of different nationalities are no longer national capitalists in their countries as defined before this current phase of imperialism. They will not stand with the working class in their struggles against imperialism.

4. Unresolvable and Deepening Contradictions between the Capitalist State and its People

In most developing countries the capitalist class (sometimes in collaboration with the land-owning class) is the main force behind the capitalist state. These states have to facilitate in any way possible capital accumulation within the confines of the current imperialist system. In general these states must do everything to maintain order for the ongoing production and accumulation process. Specifically, it must be able to push wages and benefits to the lowest possible level, turn a blind eye to safety issues in the work place, and prevent any labor organizing that would disrupt production. These states must compete to have the weakest environment regulations and ignore water, ground, and air pollution. Although strategies and tactics employed by capitalists to maximize profits are as old as capitalism itself, what is new in this phase of imperialism is that in order to satisfy the desire of global monopoly capital to maximize profits, these states must compete to carry the oppression of labor and exploitation of the environment to an extreme, in order to be chosen as production site in the long global supply chain.

III. China and Chinese People in this New Phase of Imperialism

1. China's role in the new phase of imperialism

Since 1980 especially since China joined the WTO at the end of 2001, China has played the most important role of a developing country in the internationalization of production. The Chinese government has cooperated closely with global capital in setting up China's place in the global assembly line. Once set up, China has participated in the internationalization of production in earnest. The sheer size of China's industrial workforce (from 40 million in 2004 to 80 million in 2014) significantly increased the global labor supply and intensified the downward pressure on wages in all countries. In the last two decades China has occupied all sectors of labor-intensive production, from clothing, toys, shoes, electronics, and assembling computers, iPhones and iPads; it has also produced watches, bicycles, TVs, washing machines, refrigerators, air-conditioners, microwave ovens, players and recorders, circuit boards, and motorcycles for export. In the process of internationalizing production, global monopoly capital has also been able to shift high-energy consuming and highly polluting industries, such as crude steel and computer assemblage to China and other developing countries. Additionally China has provided the space for all major automobile manufacturers to produce auto-parts and assemble automobiles.

In addition to providing space for global production, Chinese consumers who have the purchasing power also provided a large market for global consumer durables and products. Even though the Chinese people as a whole only consume less than 40% of what China produces, China's newly arrived urban middle class (around 10% of the population) has provided a large consumer goods market to absorb surplus products spilling out of the international capitalist system. Consumers in the upper middle-income bracket purchased 24 million cars in 2016, which was 37% more than the second largest US auto market, and car sales in China alone were larger than the entire world automobile market in 1979. The very rich in China (less than 1% of the population) who buy high-end designer clothing, handbags, shoes as well as expensive wine, imported race cars and stay in luxurious hotels – constitute a significant share of the world luxury goods and services market.

In the past three and a half decades China has played a very important role in moderating the contradictions of world capitalism by providing a seemingly inexhaustible labor supply, an ample space for global capital to invest, and a market to absorb large quantities of global consumer goods. China's participation in imperialist globalization gave global monopoly capital extraordinary opportunities to expand and thus enhanced the power of other imperialist countries, especially the United States. Additionally large quantities of cheap consumer goods imported from China have helped lower the costs of living in imperialist countries.

China's high rates of GDP growth, which averaged more than 10% in the 1990s and early 2000s, helped raise the growth rate of the global capitalist system. It is not an exaggeration to say that since the early 1990s the active participation of China along with other developing countries in the international capitalist system has significantly mitigated the crisis of capitalist production and accumulation for the past three and a half decades. However, inevitably China's high growth rates have had to come to an end. Its current official growth rate has dropped to 6 - 7% (the real figure could be lower) as the global demand for Chinese exports slowed, and as overbuilt productive facilities, infrastructure, and housing reach beyond the saturation point.[7] In the years to come China is likely to become a de-accelerating force (very much like the present day Japan) in the global capitalist system when it has to deal with its severe problem of excessive over-capacity, and figure out how to continue recycling the US dollar to avoid a financial crisis. Most importantly the Chinese government will be facing stronger and larger scale of resistance by Chinese workers, environmentalists, and ordinary citizens demanding change.

2. China is a developing country at the same time it has become known as an emerging imperialist power

On the one hand, China has experienced similar treatment as other developing countries in this phase of imperialism. On the other hand, there are significant differences between China and other developing countries. From 1949 to 1979 China was politically independent. It developed an independent industrial system and an independent military. These differences have made it possible for China to expand its sphere of influence after becoming part of the international capitalist system. The Chinese government would very much like to emulate what the US has done, though on a much smaller scale, in order to reap bigger profits. With its large US dollar holdings it has invested in other developing countries in Asia, Africa, and Latin America and established bilateral trade and investment relations with many countries including Russia. The Chinese government has also sought to establish other supranational institutions, such as the BRICS' Investment Bank and the Asian Infrastructure Investment Bank as alternatives to IMF and World Bank.

However, China's ability to expand its influence is limited. In today's world order, countries other than the United States cannot eliminate capital control (letting capital flow in and out of the country freely) and maintain an independent monetary policy and stable exchange rate all at the same time.[8] China's wish to internationalize the renminbi (RMB) cannot be realized without opening up its capital market. China has tried to maintain the level of RMB not high enough to hurt its exports, at the same time it has to be careful not to depreciate the RMB, causing capital flight. The slight depreciation of RMB in August 2015 and the subsequent decrease of its

7 See: China's Growth Odyssey, Project Syndicate, the World's Opinion page, February 17th, 2017

8 Even the power of the United States to achieve these three objectives at the same time is limited due to the power of global capital. Monetary policy that changes the level of interest rate affects the capital flow and thus the exchange rate.

foreign exchange holdings from $4 trillion to $3 trillion in the year that followed caused fear of further capital flight. This fear prevents China from pursuing an open capital market. China's actions now clearly demonstrate its plan to expand internationally. However, China's capitalist economy is so closely tied to the almighty dollar in the world capitalist system and because China's capitalist class has benefited tremendously from the current imperialist system, it does not have reason or the ability to challenge the imperialist system as exists today.

3. Consequences for Chinese people, its resources, land, environment and its future development

China's participation in the current phase imperialism has had serious consequences for the Chinese people, its resources, land, environment; it polarized the Chinese society and has deprived China of long-term sustainable development. Although China has huge capacity to produce, only a small percentage of people live opulently while the majority of Chinese people lack adequate healthcare, a livable environment, and educational opportunity. Those families whose children have left the countryside depend on money their children sent home for their daily existence. Younger people who migrate to cities to work in the exporting industries and in construction (totaling about 300 million) labor long hours (10 to 12 hours or more a day) for 6 days a week and receive meager wages. They work under repressive conditions in unsafe environments and have been treated brutally by their employers, who unilaterally deduct their wages, and/or delay wage payment, and/or refuse to pay their share of the social security to which workers are entitled. Although the general standard of living has risen for the Chinese population, the majority of Chinese are trapped at an income level barely above subsistence, with no or little healthcare/retirement, and very little job security. In more recent years, an increasing number of employers with heavy debts simply closed their shops and fled. Mistreatment of workers intensifies as employers' profits decline. Workers have risen to resist worsening conditions by strikes and protests, the number of which increased from less than a total number of 200 in 2011 to 2,650 in 2015. Since 2015 the Chinese government has responded with harsher measures to crack down on this overt resistance by savagely beating up and sometimes killing strike workers and jailing their leaders.[9]

There are also extreme consequences to China's exhausted resources and severely polluted environment. China has very limited access to fresh water and is one of the 13 countries with the lowest per capita water supply. Water in 85% of China's six biggest river systems is undrinkable even after treatment. The percentage of ground water that is polluted reached 60% in 2013.[10] Currently, 400 out of China's 600 major cities do not have adequate water for their residents. Cities continue to dig deeper for water, causing depletion of ground water. China's Ministry of Water Resources stated that this practice not only further aggravates the water shortage, but also lowers water

9 See: http://www.cnn.com/2017/02/22/asia/china-labor-unrest-we-the-workers/index.html

10 *The Economist*, May 17th-23rd 2014, 44

quality and increases the risk of earthquakes and landslides.[11] Air pollution in China is just as serious. In Northern cities air pollution has reached extremely toxic levels. Readings of particulate matter no more than 2.5 microns in size (PM2.5), the most harmful type of toxic smog, routinely reaches 40 times the maximum level allowed by the World Health Organization.

In order to raise the GDP growth rate, the Chinese economy has become seriously distorted. Government and business investment reached 38.7% of GDP in 2006 – a very high level when compared with both developed and developing countries. Then the government responded to the aftermath of the 2008 crisis with an economic stimulus plan of $586 billion, most of which were spent on a wide range of investment projects. Thus investment as percentage of GDP was further raised, and is currently over 50 percent.[12] Consistent high levels of investment caused not only overcapacity in factories, but also in all kinds of infrastructure, and in commercial and residential housing. Many four-lane highways built in small towns are deserted, while whole cities and towns with rows and rows of residential and commercial buildings, roads, hotels and exhibition centers stand empty. In the past three decades China's production charged ahead with such force and speed, it led to the belief that China has become a newly emerging imperialist power. However, a closer look shows the forces supporting this emerging phenomenon are losing their strength.

IV. Looking ahead

As we examine carefully the current phase of imperialism we find a seemingly unstoppable monstrous system sweeping the world through the unleashed global monopoly capital, ruthlessly ripping apart the people, land, and environment. The insatiable need for capital to expand has led to over-production that over-tills the land, over-grazes the pastures, over-fishes the rivers and seas, and pours fatal amounts of chemicals and wastes into ground, air, and water, causing irreparable damage to the earth. Imperialism immensely benefited monopoly capital but is devastating the majority of the world's population, deteriorating its resources and destroying its natural environment. Lenin pointed out 100 years ago that imperialism was decadent. It is now obvious its decay has rapidly accelerated. However, at the same time, a closer look shows that this monstrous system is also very fragile – built on a house of cards (paper US dollars). In the years to come we will see monopoly financial capital continue to be unsatisfied by the slower rates of accumulation. It will again infuse the global economy with enormous liquidity to inflate asset prices and cause more widespread and deeper crises (Hudson, 2012).

11 "China's Water Shortage to Hit Danger Limit in 2030" *People's Daily Online*: http://english.peopledaily.com.cn/

12 See IMF working paper "*Is China Over-Investing and Does it Matter?*"

The global capital class has become more integrated in their interests than any other time in the history of capitalism/imperialism. At the same time strong peoples' resistance from below, all over the world, is seriously challenging imperialism. Therefore, the material conditions for international solidarity of the working class is more favorable than at any time in the past. It is up to us to analyze the current phase of imperialism, to strategize and organize our struggle against it, and to defeat it. Labor and environmental struggles in China today are rising to unprecedented level despite the recent brutal official crackdown. China's working class should shoulder more responsibility due to its size and importance and also due to the legacy of revolution and socialism it possesses. China's experiences over the recent decades have given people a deeper understanding of why Mao placed China's political and economic independence as the highest priority and why only under socialism can such independence be achieved.

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Imperialism, Ultra-imperialism and the Rise of China

Fred Engst

The global financial crisis that swept through 2008 marked the rupture of the "boom" bubble and the crisis of the world capitalist economy. The rupture of this bubble is the result of the global imperialist system, led by the U.S. imperialists, trying to overcome the fundamental crisis of overproduction within the capitalist system. Besides further "flooding" its market with easy cash by the so-called "Quantitative Easing" policy, in other words, other than to further expand the financial bubble, or to export the crisis, the U.S. imperialists has no other panacea.

Over the past eight years and more, despite the strongest medicine ever injected into the capitalist economy with near zero interest rates and nearly doubling of government deficits (from 60% to over 100% of GDP in the United States for example), the developed economies have been languishing in the wilderness without any convincing recovery. By what other means can the capitalists of the world use in dealing with the next inevitable economic crisis that is looming on the horizon?

Since the 2008 crisis, the balance of power in the world has also experienced a significant change. Views on the essence of this change vary significantly, both around the world and within China.

For example, in recent years, is the large-scale reclamation of islands by China in the South China Sea a legitimate act of self-defense to restore its own sovereignty, or is it an act to bully and swagger against its neighboring countries, while preparing itself for imperialist world hegemony?

Is the push for mixed-ownership of the currently state-owned enterprises to further the privatization drive, so as to make China an easier target for Western multinational corporations to trample, to invade, and to occupy, or is it to strengthen the leverage of State Capital Conglomerate, giving it more control over greater capital so as to better compete in the world with the Western powers for markets and resources?

Is the recent high tide of "trouble-making" by workers or strikes throughout China the result of manipulation by hostile foreign forces, or is it a manifestation of the intensification of domestic class struggle?

Does the "Chinese dream" accelerate its own colonization, or is it an imperialist "wish"?

Other than a few "left" alarmist nationalists' daily cry that a "wolf is coming," shouting that China is being colonized, the rise of China has become a hardly disputed consensus both at home and abroad. Even the Filipino government, which has always toed the line of the U.S. imperialists, saw a shift in the balance of power in the world and took the advantage of Sino-U.S. rivalry to carve more economic development opportunities for its own country.

The establishment of the Asian Infrastructure Investment Bank (AIIB), the strategy of "One Belt, One Road" or better "Belt and Road Initiative" clearly challenge the existing world imperialist system. Those who had been raising alarms about the colonization of China had to change their tune.

Will the rise of China become a great power marching towards imperialism?

Staunch rightists either shamelessly get excited about the rise of China in their declaration: "I'm relieved to see my country acting like a gangster," or express worries about the challenges that China will pose to the current world imperialist system. Those who claim to be on the "left" are equally divided on this issue. So, what is the big deal over the rise of China?

The big deal here involves the very nature of the present Chinese society, involves the positions, principles, and policies that the Chinese working class, together with the proletariat worldwide should hold in the face of the conflicts between China and the global imperialist system headed by the U.S. That is a big deal!

To correctly understand the current situation, we need to answer the following questions:

- What is imperialism?
- Does Lenin's view that "imperialism is monopoly stage of capitalism" remain valid? In other words, does a new feature of imperialism, i.e. the globalization of capitalism, render Lenin's theory obsolete?
- If Lenin's declaration that "imperialism is the highest stage of capitalism" is correct, then, is imperialism in the shape of state monopoly capitalism a desperate grasp for air while capitalism is on its deathbed?
- Is the rising State Capital Conglomerate in China a socialist force fighting against hegemony, or the backbone of a hegemonic power?

- On the future of Sino-U.S. confrontation, are there insights to be gained from the arms race, proxy wars, and the fight over spheres of influence between the Soviet Union and the United States during the Cold War?

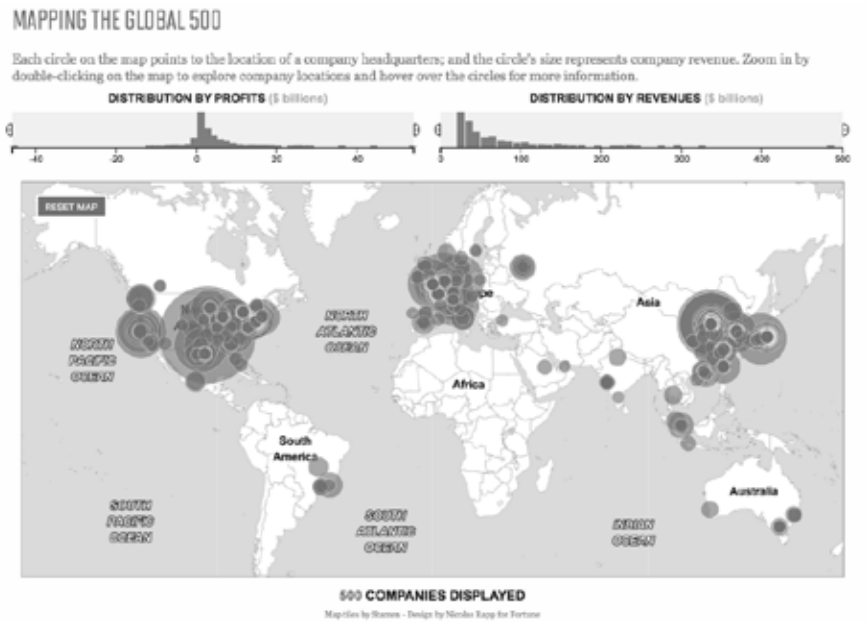
To address these questions, we must not only sort out some of the basic facts of current world capitalism but also have a firm grasp of the theoretical framework for analyzing these facts. This is because we are in the information age. Every day, every moment, we are bombarded with a massive amount of information. If we do not want to be drowned by this sea of information, we must have a clear theoretical framework to analyze that information.

Towards this end, we will first sort out some basic facts about today's capitalist world, and analyze the basic contradictions of the imperialist era. We will then explore the theoretical framework needed to analyze these facts and contradictions. This will lay the foundation for our final analysis of the conflicts between rising Chinese capitalism and today's U.S. lead imperialist system.

1. A snapshot of the global monopoly capitals

Since the Global 500 represents the most powerful monopolies in the world, it is a good starting point for our analysis.

Figure 1: Distribution of the Global 500


MAPPING THE GLOBAL 500
Each circle on the map points to the location of a company headquarters; and the circle's size represents company revenue. Zoom in by double-clicking on the map to explore company locations and hover over the circles for more information.
DISTRIBUTION BY PROFITS ($ billions)
DISTRIBUTION BY REVENUES ($ billions)
RESET MAP
Asia
Africa
South America
Australia
500 COMPANIES DISPLAYED

Source: http://beta.fortune.com/global500/visualizations/?iid=recirc_g500landing-zone1

From the distribution of the Global 500, we can see that the strength of today's capitalist monopolies around the world is mainly concentrated in three centers. The United States is the largest, followed by Germany, Britain, France, and other old Western European imperialist countries, and the third center is in Asia, headed by China and Japan.

Further analysis of the Global 500 data reveals many important characteristics of the monopoly powers around the world.

Table 1: Share of profits, sales, and assets (column peak in bold) among countries/regions in the Global 500

Countries / Regions	% on the list		% of Profit		% of Sales		% of Assets
	2014	2016	2014	2016	2014	2016	2016
U. S.	26%	27%	28%	**46%**	**41%**	**31%**	24%
W. Europe	**28%**	**28%**	**30%**	16%	21%	27%	**32%**
Japan	11%	10%	10%	7%	7%	9%	12%
China	*20%*	*22%*	*20%*	*23%*	*16%*	*22%*	*23%*
Others	15%	13%	13%	8%	15%	10%	9%

Source: Compiled from Fortune 500 website (http://www.fortunechina.com/fortune500/c/2016-07/20/content_266975.htm)

Based on Table 1, the U.S. based multinationals accounted for about 24% of the total assets of the Global 500 in 2016; Germany, Britain, France and others in Western Europe accounted for 32%; China (including a small proportion of Hong Kong and Taiwan) accounted for 23%; Japan accounted only 12 percent. The remaining total accounted for only 9 percent. Of course, this breakdown of assets does not reflect the impact of a country's capital on the globe. China's vast majority of assets are within its own country, while many of the assets of other old-time imperialists are in foreign countries.

Breaking out the Global 500 by finance, manufacturing, and service, as in Table 2, we can see that other than profits (taken away by its own financial sector), Chinese industries are taking the lead among manufacturing sectors in all other indicators.

In addition to the Global 500 data, the rise of China, in terms of other indicators, is also startling. China's steel production, power generation, automobile production, high-speed rail mileage, patent applications, the number of higher education

Table 2: Share of profits, sales, and assets (column peak in bold) among countries/regions in the 2016 Global 500 by sectors

Sectors	Finance					Manufactoring					Service				
Countries / Regions	# listed	% listed	% Profit	% Sales	% Assets	# listed	% listed	% Profit	% Sales	% Assets	# listed	% listed	% Profit	% Sales	% Assets
U. S.	25	22%	30%	24%	23%	55	20%	**54%**	23%	23%	**51**	**47%**	**60%**	**56%**	**46%**
W. Europe	**37**	**33%**	15%	**34%**	**34%**	68	25%	10%	**27%**	26%	32	29%	29%	22%	28%
Japan	11	10%	6%	9%	12%	32	12%	11%	11%	10%	7	6%	1%	6%	10%
China	*23*	*20%*	***37%***	*23%*	*22%*	***75***	***28%***	*18%*	***27%***	***30%***	*11*	*10%*	*7%*	*9%*	*12%*
Others	17	15%	12%	10%	9%	39	14%	6%	12%	11%	8	7%	3%	6%	4%

Source: Compiled from the Fortune 500 website (http://www.fortunechina.com/fortune500/c/2016-07/20/content_266975.htm)

graduates, and so on, are all top of the world (except on a per capita basis, due to the large population it has). In terms of armaments, surpassing Britain and France, China is the world's third largest arms exporter, falling behind only the United States and Russia. In contrast, India is a country that tries to be a regional expansionist power by buying its armaments.

2. Tools that imperialists use to plunder around the globe

Similar to the relationship within a country where the capitalist class oppresses and exploits the working class, the relationship between the imperialists and other nations in the world is a relationship of hegemony and exploitation by the former over the latter. However, the oppression and exploitation of the capitalist class over the working class are through former's control over the means of production (such as factories and enterprises). This enables the capitalists to extract surplus value, i.e. the difference between the value created by a unit of labor power for a given time (e.g. one year) and the value of that unit of labor power for a given time (e.g. one year), more or less through the principle of equal exchange.[1]

In contrast, the relationship between imperialist powers and those that have been dominated and exploited by the imperialist system is quite different. Exploitation here is not achieved primarily through the principle of equal exchange. Otherwise, there will be no imperialism.

Once the old colonial system has been abolished, through what channels do global imperialists continue their system of domination, plunder, and exploitation?

The following categories seem to sum it up: Dollar empire or rent, financial pillage or debt peonage, technological and resource monopolies. All of which represent robbery or vastly unequal exchange.

A. Dollar empire: The Dollar empire enjoys the highest rate of profit, for its cost is near zero. By simply printing money, the U.S. imperialists can directly plunder wealth and resource from all other countries. However, profit from it is limited, for the U.S. cannot rely on printing money to live forever.

B. Financial pillage: The rate of profit from financial pillage, obtained by the likes of Wall Street investment banks and global institutions such as the IMF and the World Bank, is not as high as the Dollar empire. Nevertheless,

1 That is to say, the value that a labor can create within a year is much higher than the value of goods or services that are necessary to maintain the survival of that labor for a year, expressed in terms of its wage. In general, what a capitalist buys through a wage is a worker's laboring power, including the cost of raising the young and caring for the old, not the value that a worker can create. This is just like the average value of an ox on a farm is based on the cost of raising and feeding an ox (before tractors came along), not what an ox can do. In this sense, the exchange of the commodity labor power with wages is an exchange of equal value.

it is a form of usury or debt peonage. With the high rate of interest that can only be called extortion, countries from Asia, Africa, and Latin America are forced to take most of their exports to pay off their debts, or to obtain new loans to pay off the old. The gross profit through this channel is very large. There is no exchange of equal value, only outright plunder.

C. Resource monopoly: Transnational corporations can obtain excess profits through monopolies over natural resources, such as iron ore, petroleum (or through control over oil-producing countries, such as Saudi Arabia). However, monetary gains through unequal exchanges from this old colonial style of resource monopolies are somewhat limited.

D. Technological monopoly: Here, the plunder of wealth is achieved directly through unequal exchange, on top of the regular surplus value extraction. The labor theory of value recognizes that a commodity can only have one value, and not that the inefficient producer has a greater value for its product. However, the exchange of different goods, especially between different countries, is more complicated. Developed countries use their "capital-intensive" or high-tech products in exchange for "labor-intensive" products from less developed countries. The exchange here is not of equal value. That is, the developed countries are able to obtain products from other countries, which contain a larger quantity of socially necessary labor time, with their own products, which contain a lesser quantity of socially necessary labor time. This is the main form of surplus value transfer in international trade.[2]

   For example, years ago, to buy an Airbus 380, China had to sell hundreds of millions pair of pants in exchange. Similarly, the U.S. agricultural products are so-called "capital-intensive" products. A year's worth of products from an ordinary U.S. farmer, such as a thousand tons of corn, if it is exported to Mexico, in one fell swoop, will make dozens or hundreds of local farmers bankrupt, forcing them to work in the export processing zone, to produce textile, electronics, and other products sold cheaply back to the United States. Thus, the one-year's worth of labor by one U.S. farm worker can be exchanged for products from dozens or hundreds of Mexican laborers for a year. In contrast, the exchange of products between developed countries is more of an exchange of equal value. Because both sides have their own technological advantages and specializations, so the exchange of products has little differences in their embodied labor time.

This last channel of unequal exchange is worth further clarification, for there is a great misconception of its effect on the working class of the developed countries. Based on Marxism, this unequal exchange greatly reduces the cost of labor in

2 See for example Table 6-2 in Minqi Li, Yaozu Zhang, Zhun Xu, and Hao Qi, *The end of Capital - People's Political Economy for the 21st Century*, China Renmin University Press (March 2016).

developed countries, enabling the capitalists there to maintain profitability by offsetting the inevitable falling rate of profit due to the rising organic composition of capital.[3] Contrast this analysis with the claim: "In effect, the post-1945 'New Deal' allowed the western working classes to receive a portion of the world surplus value in exchange for their political cooperation with the capitalist system."[4] If this claim were true, there would be no material basis for the working class of the world to unite. The fact is that the real wages of the working class in developed countries have been on a steady decline as the capitalist world becomes more globalized. The average wage of the working class in any country, developed or not, is more or less the cost of labor force reproduction in that country, i.e. the cost of raising the young, schooling the youth, feeding the working, and caring for the old, regardless of how greatly the differences across countries are.

Without monopolistic control of science and technology by the developed countries, the lesser-developed countries would have been able to rapidly master any new technology (for imitation is much faster than innovation) and leapfrogging their development process, as the Soviet aids did to China.[5] The exchange of goods between them would tend to be exchanges of equal value. This is the reason why the imperialists try so hard to prevent the lesser-developed countries from mastering any new technology.

Of all the channels by which imperialists loot the wealth and resources of the world, the most fundamental one is through their control over technologies. In contrast, resource monopolies are the colonial style of wealth transfer. The two of them together gave rise to financial pillage, and ultimately the Dollar empire.

When other countries are forced to use Dollars, Euros, the British Pounds, or the Japanese Yen as reserve currencies for international trade, the imperialist powers are in effect allowing themselves to take the resources or wealth from other countries simply by printing money. Those others in the imperialist camp, such as Canada or Australia, while not able to plunder too much by means of printing money, nevertheless are able to loot around the world by means of their share of hegemony in finance, resources, and technologies.

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3 That is, while living labor is organic, materialized labor, such as tools, equipment, and buildings, are inorganic. Since value can only be created by living labor, and therefore the more capital-intensive production method is used, the proportion of the total investment in living labor become smaller, so the value created by labor compare to the total capital outlay becomes smaller, thus the falling rate of profit. See for example chapter 13 of Das Kapital, Volume 3 by Karl Marx

4 Minqi Li, *China and the Twenty-First Century Crisis*. London: Pluto Press (October 2015)

5 Before the withdrawal of all professional experts in 1960, the aid projects that the Soviet Union provided to China were generous direct technology transfers. It shortened the industrial accumulation process of China by a decade or two. Today, no home countries of those Global 500's will aid any of the developing countries by way of direct technological transfer without strings attached, as did the Soviet aid to China, or as the Chinese aid to Asian and African countries during Mao's era.

Based on the above analysis, in terms of those channels, what is the situation of China, compared to other developing countries, such as South Korea, India, Brazil, and others?

A. So far, China has not been able to reap much privilege associated with reserve currency status in the IMF, other than some small regions in South-East Asia that accept Renminbi as a local currency. However, China is trying very hard to make its own currency an internationally accepted one, to enjoy the reserve currency privilege similar to Euro, or Yen. South Korea, India, or Brazil has no prospect in this regard.

B. China does not have much of a financial clout, at least not for now. Since it is a newcomer on the block, its true character has yet to be fully exposed; few countries of Asia or Africa are actually being trapped. However, the establishment of AIIB has laid a solid foundation for the development of financial power for China. Information about South Korea, India, or Brazil has yet to be collected to make definitive judgments for now, other than their prospects are no match to that of China.

C. So far, China has been a "victim" of the resource monopolies by the West. By buying up varieties of strategic resources worldwide, China is trying to change the status quo, and gain more control over them. In contrast, it seems that South Korea is resource poor, while resources from India and Brazil tend to be controlled by foreign multinational corporations. Without further investigation, no definitive conclusion can be made about those countries at this point.

D. China is in the process of breaking down the technological monopolies of the West. Although it has not been able to trade with developed countries on the basis of exchange of equal value, for its marketing power and the embedded technologies are not as high as the more developed countries, this situation is changing rapidly. The expanding Chinese exports in industrial equipment and machinery have been quite profitable, such as in high-speed rail equipment and arms exports. Commodity trades between China and the developed countries are becoming more of an equal exchange, while those with Asian, African, or Latin American countries are tending to be more of an unequal exchange in China's favor. South Korea also enjoys some of the profits from unequal exchange, but not so much for India or Brazil. Details for these areas do need further study, however.

Thus, relative to South Korea, India, or Brazil, China is poised to become an imperialist country; at least she is going through a process of quantitative change to qualitative change.

3. Conflicts and crises of the imperialist world

To understand imperialism, we need to understand its internal dynamics and contradictions. The following are some of the most basic conflicts within capitalism. The conflict between labor and capital comes first. Next is the classical overproduction crisis of capitalism. This crisis not only drives capitalism towards imperialism, it also intensifies the rivalries between imperialist powers. The third is the conflict between developing countries and imperialist countries worldwide. This and the antagonism between the working class and capitalists within each country can also be better understood by the crisis of over production within capitalism.

1) The conflict between labor and capital

This is the most basic and most acute contradiction in a capitalist society. This is manifested by the fact that all countries in the world used the oppressive means of the state (courts, police and the army) to defend capitalism, to oppress any resistance to private ownership of the means of production by their own people. In the imperialist era, domestic class oppression and imperialism around the world are inseparable. On the one hand, imperialists must export crisis to ease the domestic class antagonism; on the other hand, imperialists must suppress the working class around the world to defend profits from their foreign investments, and at the same time, use cheap imports to suppress the domestic working class resistance.

As the conflict between labor and capital are well understood among the left, we will not elaborate much further.

2) The economic base of imperialism: monopolistic power escalation and the overproduction crisis

"The traditional economic crisis in the form of overproduction is no longer a major threat to the capitalist economy, and the degree of damage is significantly reduced," declares a world-system theorist, who also claims to be a Marxist-Leninist-Maoist by the pseudonym of Voyage One in the progressive Chinese language circle. To him, "energy, resources, and environmental issues are the biggest constraints to the future growth of capitalism."[6]

6 Voyage One: *Combining the universal principles of Marxism-Leninism with the concrete reality of the Chinese revolution in the twenty-first century*, Red China Weekly 2015, No. 33 (September 2, 2015), http://redchinacn.net/portal.php?mod=view&aid=23863.

For the latter stress on the ecological issue, see Minqi Li, *An Age of Transition: The United States, China, Peak Oil, and the Demise of Neoliberalism*, Monthly Review 59, no. 11 (April 2008), https://monthlyreview.org/2008/04/01/an-age-of-transition-the-united-states-china-peak-oil-and-the-demise-of-neoliberalism

However, historical facts have repeatedly shown that the root cause of the capitalist economic crisis is the crisis of overproduction, not some other factors, such as resource crisis or ecological crisis and so on.

This is because production under capitalism is for profit. This can only occur when the aggregate output of the socialized production is greater than the total consumption of the working class. That is, only when there is an aggregate surplus, can the surplus be transformed into overall profit for the capitalists. Here we can disregard the luxury consumption of the capitalists, the depreciation of capital, and the portion of surplus that is used for the maintenance of the capitalist state machines, and so on, as these can be seen as a discount from the total output. In other words, the products produced by all the workers added together must be greater than the products purchased by all the workers, for there to be any surplus leftover for the capitalists. The greater the difference between workers' aggregate output and workers' aggregate consumption, the greater is the aggregate surplus. This is how the economy grows.

Even though value is created through production, it can only be realized through exchange. Thus, those surplus products can only be transformed into profits when capitalists can sell those products to other capitalists who buy them as investment for production expansion. This is the necessary condition for the conversion of surplus products to profits, i.e. capital accumulation. Otherwise, those unsold surplus products become a pile of overproduced goods. The expansion of production, however, will make the future crisis of overproduction even more serious. Once a multitude of capitalists loses confidence in the future conversion of surplus products to profits, that is, losing confidence in the bubble of production capacity expansion, the economic crisis will become inevitable. This is the overproduction crisis.

Many thought the economic crisis is brought on by the lack of consumption of the people. It is not true. Under-consumption has always been a fact of life for the overwhelming majority of the humanity throughout history. The overproduction crisis is a phenomenon unique to capitalism. The cyclical economic crisis of capitalism is not caused by the decline in consumption. It is rather caused by the growth in output outstripping the growth of consumption. Furthermore, the initial surplus products are often not consumer goods, but rather intermediate investment products. Thus, on the surface, underconsumption and overproduction are two faces of the same coin, but they are not. Overproduction is absolute, and underconsumption is relative. Overproduction is the cause, and underconsumption is the effect. This can be seen very clearly in a business cycle: excess production first causes a product backlog when the prospect for future expansion cools off, which then leads to a decline in profits, resulting in a rise in unemployment, which causes a decline in consumption later.

If capitalism could plan the growth of output and consumption in proportion simultaneously, it would be possible to avoid the crisis of overproduction (as in the

case of the planned economy in the Soviet Union after Khrushchev came to power and before its disintegration). Capitalism in general, however, is not characterized by a monolithic monopoly of an all-in-one state capitalism (the disintegration of the Soviet Union shows that an all-in-one state monopoly capitalism is an unstable form of capitalism). Unless a special need arises (such as during war times), the capitalists generally do not coordinate their production automatically. The expansion of production of an individual capitalist firm generally does not directly cause its product to be overly produced. On the contrary, those capitalists who employ new technologies or techniques to engage in a large-scale expansion of their production process tend to lower their unit cost and price. This will make those capitalists who fall behind in expanding their production process less competitive, thus making their products become overly produced, perhaps even forced out of the market altogether. This is the result of competition between capitalist firms. Overproduction in a single industry is thus a means by which capitalists compete with each other.

This "rational" behavior of an individual capitalist within an industry on the micro level becomes an "irrational" behavior of capitalism as a whole on the macro level. In order to survive, each individual capitalist is desperately expanding its scale of production, resulting in the rapid expansion of the overall production capacity of capitalism.[7] However, this overall expansion can only increase the overall surplus of the capitalists, if its growth is greater than the growth of consumption by the working class. Once the overall surplus cannot be converted into investment expansion, the overproduction crisis will erupt. This is the fundamental contradiction between the socialized production and the anarchy of production under capitalism, i.e. the root cause of the capitalist crisis.

To alleviate the crisis of overproduction requires either some groundbreaking new technologies or huge new markets. The invention of a new technology can forcibly retire massive amount of original fixed capital investment, enabling it to ease the production capacity excess (such as TV which almost wiped-out movie theaters, cell phones almost eliminated the landlines, digital cameras basically eliminated film cameras, or automobile and planes in the United States basically eliminated passenger rails service, etc.). The development of a new market can also absorb the excess capacity (such as the discovery of a "new continent", i.e. pulling China into the world capitalist system).

Otherwise, to save capitalism, excess capital must be destroyed! Natural disasters obliterate productive capacity directly to alleviate its excess. Wars were another channel to destroy excess capacity (after World War II, Japan and Germany were in ruins). After sufficient excess capacity is wiped out by wars or by natural disasters, the market and output might regain balance, creating a fresh environment for new investment to take place.

7 This is where financial capital came in. Those that render more control to financial capital have a greater speed for capacity expansion. Eventually, financial capital becomes the king of capitalism.

Without new markets, new technologies, natural disasters, or wars, then the excess capacity can only be destroyed through a deep economic crisis. The weaker capitalists are forced into bankruptcy during a crisis, and thus wiping out a large amount of surplus capital, allowing capacity and market to regain balance.

Unlike feudal empires that were driven by simple greed, the rise of modern imperialism was originally driven by the need to alleviate domestic overproduction. The self-sufficient feudal kingdoms can survive fine without expanding, but modern imperialists must either expand or die. By forcefully opening markets of the colonies, the imperialists were able to dump their products and plunder new resources, thus alleviating the excess of domestic production. Imperialism is thus the inevitable outcome of capitalist development. Only in the later stage of development did imperialism get transformed from the export of products to the export of capital. At the outset, by manipulating other countries' politics and economies (or markets), U.S. neo-colonialism was able to dump its surplus products, created new investment opportunities, and to export its own domestic overproduction crisis.

The globalization of capitalism led to the further development of markets, and temporarily relieved the crisis of overproduction within the imperialist home country. For example, the global capitalist crisis, which started in the mid-1970s, represented by the oil crisis, saw no obvious signs of easing even during the mid-1980s, until China's accession to the world's capitalist system, which postponed it until 2008. The result, however, is endless troubles of overproduction crisis around the globe! If there are no major new technologies in the near future to open up new fields for investment or to forcibly retire a large quantity of old capital, the world's excess capacity can only be destroyed through a more profound economic crisis, in order to restore the balance between production capacity and market.

However, the capitalists of all countries want to destroy the production capacity of competing capitalists in other countries, to ease their own excess capacity. The conflicts between capitalists will be increasingly sharp. Wars are the concentrated expression of the capitalist crisis in the imperialist era. That is the fundamental reason why imperialism means war.

3) Conflicts among imperialists

The primary one today is the rivalry between Western powers led by the U.S. imperialists and Russia, as demonstrated by the Ukrainian crisis of 2014 and the on-going Syrian crisis today. As Russia sends its only aircraft carrier to the Middle East, to protect its sole military base there, the contention between the two camps is on the rise.

The rivalry between the U.S. imperialists and the EU is also on the rise. The establishment of the Eurozone and the Airbus joint venture were examples of the

conflicts between the EU and the U.S. imperialists. The EU's sovereign debt crisis has also exposed the contradictions within the EU. At the same time, the U.S. imperialists used the contradictions within the EU to intensify the sovereign debt crisis, weakening the EU's challenge to the U.S. Although Brexit is a manifestation of the crisis, the EU without the UK may be more of a challenge to the U.S. This may be the reason why the U.S. imperialist was opposed to Britain's departure from the EU.

There is also the clash between the United States and Japan. As the U.S. tightly controls its military, Japan has not been able to become a normal country. For example, during the 1997 Asian financial crisis, the U.S. was able to force Japan to accept the IMF program, which led to heavy losses in its investments in Southeast Asia.

4) Hegemonic competitions can provide new opportunities for oppressed nations

In addition to the class conflicts and the conflicts between imperialists, there are also the conflicts between the so-called developed and developing countries, i.e. the "North - South" conflicts. These are in essence the contradictions between imperialism and oppressed nations and peoples.

The unity of opposites is a universal principle. The emergence or the rise of a new imperialist power can indeed play a role in breaking the monopoly control of the existing imperialist system. It gives third world countries more of a chance to play one against the other, as was the case of the rivalry between the United States and the Soviet Union for world hegemony during the Cold War. The recent attempt by the Filipino government to use the rise of China as leverage to alleviate the control of the U.S. imperialists is another example.

The implosion of the Soviet Union was a great loss for the majority of the third world countries, creating more than 25 years of unchallenged abuse by the United States to do whatever it wanted, to push for the rampant neoliberal world order.

In this sense, as long as other third world countries can clearly understand the nature of an emerging imperialist country, can effectively exploit the contradictions between imperialists, the rise of China can help the people of other third world countries to loosen the control of the existing imperialist domination.

However, the premise of this conclusion is based on a clear understanding of imperialism. Otherwise, without an independent stand when dealing with the rivalries between imperialist powers, the situation is dangerous. Siding with one against the other will not free oneself at the end.

Looking back a hundred years ago, when the U.S. imperialists were able to break the British Empire which "the sun never set on," at the beginning, it also temporarily "won the people." The fact that people in Asia or Africa have a favorable view of those investments from China does not offer any proof, as claimed by some, that Chinese investment is different from the old-style imperialists.

5) Ecological crisis and depletion of resources

Although global warming and the ecological crisis have been dominating the headlines, Marxist-Leninist-Maoists should view it dialectically. While it provokes the resistance of the people of the world to the capitalist mode of production, intensifies the inherent contradictions of capitalism, particularly the rivalries between imperialists over the control of those limited resources, it also provides new investment opportunities, which tend to prolong capitalism. Compared to those irreconcilable conflicts we have listed above, capitalism is likely to overcome each particular ecological crisis.

For example, historically, the peasant uprisings in ancient China were often associated with natural disasters. However, the threat to capitalism from the 19th-century Irish potato famine or the plague seems not all that serious. Ecological crisis by itself does not necessarily cause a crisis of capitalism. This is because the depletion of resources in and of itself seems to be a conflict between man and nature, not a conflict between human beings, and thus does not directly threaten capitalism. Because of this, the earthquake in Japan a few years ago, for example, did not enhance Japanese people's demands for socialism.

The depletion of resources will, of course, threaten the survival of those particular capitalists who had a monopoly hold on them, but their competitors are blessed in disguise. The shortage of natural rubber promoted the development of elastomers, the depletion of oil resources promotes the use of sunlight, and so on. Therefore, the depletion of resources does not threaten capitalism necessarily but might promote technological innovation, create new investment opportunities. The hydraulic fracking boom started in 2008 has greatly increased the shale oil production in the United States for example. China's early crazy expansion in wind power, photovoltaic, and other industries that led to the current severe overproduction crisis are precisely caused by the "untimely delay" of the ecological crisis. As quoted by *The Economist* more than a decade ago: "The Stone Age did not end for lack of stone, and the Oil Age will end long before the world runs out of oil."[8]

Thus, capitalism per se is not threatened by the scarcity of resources, but rather by overproduction. Ecological crises are more likely to save rather than bury capitalism unless the rivalries between imperialists bring capitalism down. At present, for example, the Chinese government is taking advantage of the ecological crisis as

8 The Economist. 2003. The End of the Oil Age. http://www.economist.com/node/2155717

an opportunity to forcefully close many high energy consuming, high pollution enterprises, in order to ease the crisis of overproduction in those affected industries.

4. Leninism vs. revisionism in dealing with imperialism

Given these conflicts and crises within the imperialist world, the revolutionaries and progressives are faced with the question of how to understand and resist imperialism.

1) New features of U.S.-led global imperialism

After World War II, especially after the collapse of the Soviet Union, the practice of imperialism has changed. The neo-colonial imperialist system, led by the U.S. imperialists, replaced the old colonialism of the previous era where the world was divided based on each imperialist's strength. Faced with this new situation, if Lenin were alive today, he would not apply his century-old definition to analyze today's globalized imperialist system unchanged.

The following are several different practices of imperialism after the birth of capitalism:

A. Early imperialism originated from free competition, which led to industry monopolies or oligarchies, and this led to the emergence of financial hegemony. Lenin analyzed this form of imperialism a century ago.

B. The post-World War II neo-colonialism is the escalation of monopolistic powers, i.e. the evolution from monopolies within one country and its colonies to worldwide super-power domination by the nuclearized U.S. monopolies.

C. State monopoly capitalism is a highly integrated monopolistic power of capital together with the power of the state. This is to mitigate the domestic class antagonisms on the one hand, such as the "New Deal" in the United States, or the "welfare state" in Europe, and, on the other hand, to regulate the conducts between various monopolies around the globe through international institutions, such as the IMF or the World Bank. These are important new feature of the neo-colonialist period.

D. The globalization of production and the domination of financial capital over industrial capital exemplified by the Dollar Empire are other features that need special attention.

E. The highest form of state capitalism is one that directly combines the power of the state, together with a country's ruling political party, its military, its

industrial and financial capital as one, under a unified command. This is the zenith of state capitalism.

Given these new features, there are at least two theoretical frameworks for analyzing contemporary imperialism among the left and progressives. The two methods will produce opposing lines, policies, and approaches.

Lenin's theory of imperialism uses the rise of monopoly capitalism as the driving force that generates imperialism. Since the basic law or logic of capitalist accumulation is to expand or bust, this unending accumulation of capital inevitably leads to monopoly capitalism, regardless of how "free" the competition begins. Fighting for hegemony is the very DNA of monopoly capitalism. It is the leverage, the power, or the coalition of capitalists that such a monopoly capitalist group can bring together that shapes the world.

A hundred years of history proves that Lenin was right about the nature of imperialism and wars. This is because Lenin caught the fundamental law of motion for capitalism. Thus, to understand imperialism, the unit of analysis should be at the most basic functioning cell of capitalism, i.e. a capitalist group, such as a firm, a company, a conglomerate, a multinational, a syndicate, a trust, a cartel, or a consortium, etc., i.e. a functioning unit of monopoly capital. If one is blind to the power of monopoly capital, one cannot hope to understand imperialism!

2) Resurrection of ultra-imperialism

Alternative to Lenin's analysis is a modern version of Kautsky's ultra-imperialism, which ignores the amount of economic, political, and ultimately military power that each monopoly capitalist is able to bring to bear in carving up the world into "center," "semi-periphery," and "periphery."

There are those who see that the conflicts between world powers and imperialists can be reconciled by the global organizations, such as the IMF, the World Bank, WTO, and the like. To them, Lenin's analysis of imperialism is outdated.[9]

Another similar view is that due to the globalization of capitalism, where multinational corporations have mutual penetrations and interdependencies, based on "I own some of yours, and you own some of mine," the imperialists must maintain a global order for the sake of the "overriding common interest" of the capitalists. Intense conflicts between the imperialists cannot happen.

Here is an example of this ultra-imperialism by the aforementioned Voyage One: "the core of China's capitalist sector is the export-manufacturing industry. Although China's capitalist economy is very large, real estate, financial and other

9 http://blog.sina.com.cn/s/blog_6011579101016xuv.html

non-productive sectors also account for a considerable proportion, the size of investment in infrastructure facilities is also great, but these sectors either serve the export-manufacturing sector or are attached to the export-manufacturing sector. If China's export-manufacturing industry declines, other sectors of China's capitalist will soon decline.

"China's export-manufacturing industry is not only dependent on the United States and European markets but also relies on imported energy and raw materials abroad. Although these energy and raw materials did not come from the United States, Chinese capitalism nevertheless objectively relies on the U.S. imperialist air and sea power to protect the political stability of the Middle East, Africa, the maritime traffic safety in the Indian Ocean and the Pacific Ocean. The great dependency of the Chinese capitalist export-manufacturing industry on the political and economic power of the U.S. imperialist dictates its willingness to work with the United States under a 'G2' system, and behave as a 'responsible great nation.' *The Chinese capitalists are neither powerful enough, nor have the will, nor are daring enough to challenge the U.S. imperialist hegemony.*

"In this sense, the fundamental interests of the capitalists in China and the United States are not only without conflicts but are also highly consistent. This determines that not only between China and the United States will there be no wars, even between China and the servants of the U.S. (such as Japan), there will be no outbreak of wars, not even any outbreak of armed conflicts."

The same author continues: "*In our time, the decline of U.S. imperialism has not, nor will it in the future, cause any similar major wars between capitalist countries*. The decline of U.S. imperialist hegemony is manifested mainly in the considerable decline of its ability **t***o regulate and manage the common interests of the world's capitalists*. The U.S. imperialists are *no longer able to effectively help the capitalist countries out of the world economic crisis*, no longer able to effectively suppress the resistance of the peoples, and various other threats to the world capitalist order (for example, the Islamic fundamentalist political power of the Middle East, and the nuclear threat of the DPRK). It is certainly not possible to deal effectively with the growing global environmental crisis. *However, the decline of the U.S. imperialists did not seriously deepen the contradictions between the major capitalist countries, in particular, did not seriously deepen the contradiction between the capitalists in China and the United States* (emphasis added)."[10]

One has to wonder which planet did Voyage One come from? The mistake of ultra-imperialism is that they only see the similarity of interests to oppress the working class among the bourgeoisie in the capitalist system but failed to see the life and death battles between the monopolistic groups. They seem to forget the most basic essence

10 Voyage One, *The Historical Destiny of the Chinese Proletariat*, Red China Weekly 2015 No. 8 (February 24, 2015)

of capitalists is for competition, monopoly, and hegemony! Other than repressing the resistance of the working class at home and competing for hegemony abroad, what other common interests of capitalists are there? On the surface, international organizations, such as the United Nations, the World Bank, and IMF are platforms for a "democratic" governance of international affairs by the global capitalists. In fact, each party's right to speak on these international organizations is allocated according to each one's respective military and economic power.

Thus the author saw that "the core of China's capitalist sector is the export-manufacturing industry," and saw that it is "not only dependent on the United States and European markets, but also relies on imported energy and raw materials abroad," and that if it "declines, other sectors of China's capitalist will soon decline." However, he could not see, at the same time, that as the core of this Chinese capitalism expands, it is bound to further compete with the Western powers for markets and resources.

One of the reasons for this might be that these people saw China's export-manufacturing industry only as the kind of private industries similar to Foxconn, which engaged in large-scale processing trade, serving the needs of multinational companies. They failed to see those Chinese homegrown enterprises, such as the state-owned high-speed rail, or private oligopoly equipment enterprises, such as Sanyi, are under the pressure of a severe overproduction crisis, and in order to survive, more and more attention must be paid to export their surpluses. They have been pushing very hard on the "Going-out" strategy to overcome the difficulties of those domestic manufacturing industries. This is the real "core of Chinese capitalist sector."

These mistaken conclusions are also derived perhaps from beliefs in a version of the world-system theory, which emphasizes (actually, only described) the particular role of the international "division of labor" within the world capitalist system. However, except for the synonymic analysis of "core," and "periphery," it does not specify what is the basis of the "division of labor," what phenomenon drives such a "division of labor," as well as what is the law of motion that make changes in the "division of labor." Consequently, in the eyes of these world-system theorists, the international "division of labor" tends to be solidified and unlikely to be changed. Since "within the current global capitalist division of labor, Chinese capitalism specializes in manufacturing production,"[11] these theorists take this as evidence that Chinese capitalists cannot march towards the "core." This is putting the cart before the horse. They fail to see that monopoly power is the driving force behind the "division of labor." Furthermore, the international "division of labor" is based on the relative strength of various monopoly capitalists in terms of one's economic, political, and even military strength.

If the core of China's capitalist sector is indeed a private export-manufacturing service for multinational corporations, then the Chinese "Belt and Road Initiative" is

11 Minqi Li, *China and the Twenty-First Century Crisis*. London: Pluto Press (October 2015)

unnecessary, and their initiative for AIIB makes no sense. Those that prescribe to this version of the world-system analysis cannot understand the reasons for the Chinese government's push for either one and do not see the reasons why an upcoming state monopoly capitalist group is bound to challenge the existing world order. And challenge it did. AIIB is perhaps the only international financial institutions that the U.S. has no voice in, let alone veto power.

The rising "Chinese capitalism nevertheless objectively relies on the U.S. imperialist air and sea power to protect the political stability of the Middle East, Africa, the maritime traffic safety in the Indian Ocean and the Pacific Ocean." This free ride does conform to the actual situation for nearly two decades. However, China is becoming increasingly unbearable to the existing world imperialist order. Although China is the world's largest importer of many resources (such as iron ore, oil, etc.), she does not have any pricing power. Anything China buys, its price goes up. At the same time, China exports many goods all over the world, and whatever she sells, its price drops. She does not have any pricing power there either. Furthermore, China is facing ever-increasing cases of anti-dumping sanctions.

Thus, to say that "The Chinese capitalists are neither powerful enough, nor have the will, nor are daring to challenge the U.S. imperialist hegemony" is simply not true. The fact is that China is building warships like dumping dumplings, besides building a fleet of aircraft carriers, investing heavily in aerospace and other military hardware, expanding overseas bases, large-scale reclaiming islands in the South China Sea, in addition to the push for the "Belt and Road Initiative" and the establishment of AIIB. All of which shows that the ability and courage of China to challenged the U.S. imperialist hegemony have been enhanced, not to mention its intent.

It is only after seeing these challenges, that the United States began its "pivot to Asia-Pacific" strategic plan, rather than promoting the so-called "G2" system, in which China works with the United States as a junior partner to rule the world together. The latter is entirely the wishful thinking of Chinese scholars. The United States will never subsume to a "G2" system.

Thus, we can see the claim that "the fundamental interests of the capitalists in China and the United States are not only without conflicts but also highly consistent" is purely a subjective speculation, without any factual base.

According to this ultra-imperialist argument: "not only between China and the United States will there be no wars, ... not even outbreaks of armed conflicts." Yes, under the threat of nuclear destruction, direct conflict is unlikely, but proxy wars in other places like South Sudan, Myanmar, intensified arms races in aerospace, maritime, and other areas, competing to defend their so-called "core interests" in respective spheres of influence will continue. As Chinese capitalism rises, can she afford not to take the road of " gunboat commerce"?

More than a century ago, Kautsky believed it was possible to contain the intense rivalries of the imperialists by peaceful means for the sake of the global interests of the capitalist. His theory of ultra-imperialism was thrown into the dustbin of history by the reality of two World Wars. However, just as the inter-imperialist rivalries are getting more and more intense, the ghost of Kautsky's ultra-imperialism came back to life in the guise of a version of the world-system theory, which not even its main theoretician Wallerstein subscribes to. They mistook the history after WWII as evidence that it is possible for the imperialists to peacefully coexist under those international institutions where their differences can be ironed out. They clearly see "the decline of U.S. imperialist hegemony," but fail to see precisely the life and death struggle between the imperialists for hegemony that this decline inevitable brings!

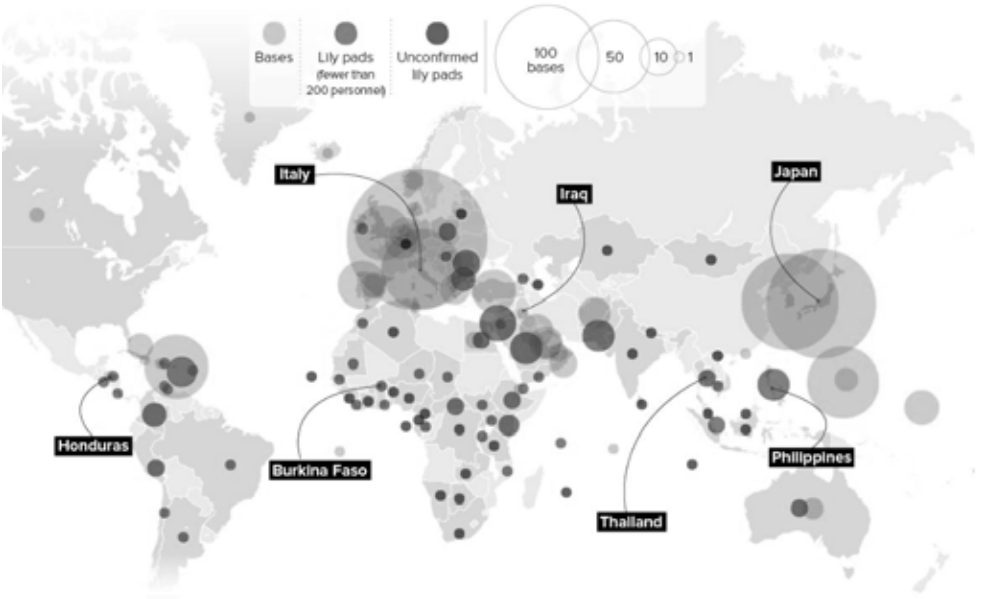
3) No respect to ultra-imperialism by the U.S. imperialists

This perhaps is caused by these ultra-imperialists' mistaken view of the role that the U.S. plays in today's world imperialist system. Misguided by this version of the world-system theory, they saw the role of the U.S. imperialists as a self-appointed world police force for the sake of "effectively suppressing the resistance of the peoples, and various other threats to the world capitalist order." They saw that the U.S. imperialists have been trying "to regulate and manage the common interests of the world's capitalists," selflessly tried to "helping the capitalist countries out of the world economic crisis." By their description, the U.S. imperialists have been such an outstanding self-sacrificing leader of the world capitalists! The decline of U.S. imperialism must have been such a great regret for the maintenance of the said world-system!

In fact, the United States has never "helped" the capitalist countries out of any economic crisis. Even the Marshall plan after the WWII was more to overcome the overproduction crisis of the United States, and served to export the U.S. capital. The United States has always been good at exporting its own crises, like the 2008 crisis, or creating a crisis to serve its own need, like the 1997 Asia-Pacific financial crisis. The U.S. imperialists have never put the "common interests of world capitalism" first, but rather tried to safeguard its own interests in deciding what kind of world "order" to maintain, such as the 1971 ending of convertibility of the dollar into gold.

The interests that U.S. imperialism does defend are not the common interests of world capitalism as a whole, but rather the global interests of U.S. monopoly capital. Only under this condition, will the U.S. imperialists try to maintain the global interests of monopoly capital in other countries. However, once an economic crisis occurs, the main targets for U.S. imperialism to pass its crisis to have often been the other developed countries. After the outbreak of the economic crisis in 2008, the EU's sovereign debt crisis was the direct consequence of the United States exporting of its crisis to Europe. The lethargic Japanese economy for the past 25 years was also the result of the United States' crisis passing.

Figure 2 The U.S. global military layout



Source: http://www.politico.com/magazine/story/2015/06/us-military-bases-around-the-world-119321

The distribution of the U.S. military around the world is most revealing. The United States has military bases in more than 60 countries, and military presence in more than 150 countries, the aim of which cannot be for the common interests of the global capitalists. Otherwise, why do the United States overseas garrisons (see Figure 2) mainly concentrate in the developed EU and Japan? The targets of the military forces of the United States all over the world, which are armed to the teeth, are clearly not to deal with the struggles of the working class against capitalism in various countries, but rather are targeted against those capitalists' forces from other countries that are capable of challenging the U.S. hegemony. However, the U.S. imperialists have taken a position of "live and let live" in dealing with monopoly capitalists from other countries, such as those from Europe and Japan, so long as they yield to the top dog position of the United States. This is to avoid a life and death struggle between capitalists around the world that can perish them all, especially after two World Wars.

Figure 1 and 2 have one striking commonality, namely, the concentration of Global 500 is highly correlated with the concentration of U.S. overseas military might. Both Global 500's and U.S. military bases are dense in Europe and Japan.

From this we can see why the U.S. imperialists unrelentingly provoke the already emasculated Russia, and why it forced North Korea to embark on a road to nuclearize. Without threats from Russia or North Korea, monopoly capitalists from

the EU and Japan would have challenged the need for U.S. troops to be stationed in their countries. The U.S. imperialists need enemies not just for its military-industrial complex, but also to keep other potential challengers in the developed countries in line.[12]

5. China and the U.S.-led global imperialism

1) The standing of Chinese capitalism in today's world

In terms of its military, China enjoys complete sovereignty. Compared to those G7 countries that have the U.S. armies stationed in their countries, such as the EU and Japan, or to those underdeveloped countries that do not even have a coherent industrial structure and have to rely on the developed country for its own military, such as India, China's sovereignty in the military matches that of Russia.

Backed by its military sovereignty, China enjoys complete political sovereignty, which is different from the G7 and other underdeveloped countries that are restricted politically by the U.S. imperialists. Armed with both political and military sovereignties, economically China only entered into the world capitalist system conditionally, such as with its entry into the WTO.

2) Uniqueness of the State Capital Conglomerate

It is not the rapid growth of capitalism in the Chinese private sector that worries Western imperialists. Instead, it is the strong expansion of the state sector. Of the companies on the list of Global 500 in Table 1 & 2 above, those 100 or so on the list from China are mostly state sector firms, whereas 10 years earlier, only 20 of the Global 500 were from China.

There is a very distinct difference between the state-owned companies in China and those in the West. Because government officials are hired and paid by "taxpayers," i.e. monopoly capitalists, the managers in those Western state-owed firms must serve the interests of monopoly capitalists. The ownership of those state-owned companies in the West does not belong to government bureaucrats (for government officials are not allowed to form an interest group contending for power against the capitalists there). Instead, they belong to the capitalists as a whole, following more or less the principle of one-dollar-one-vote, as in a joint-stock company. In other words, within the Western imperialist countries, the true ownership of the state-owned companies is decided by the amount of capital each capitalist owns. This is the true nature of Western democracy.

12 See also, for example, Wallerstein: *U.S. Weakness and the Struggle for Hegemony* https://monthlyreview.org/2003/07/01/u-s-weakness-and-the-struggle-for-hegemony/

In contrast, the ownership of Chinese state-owned companies belongs to the Chinese governmental bureaucracy, rather than the Chinese capitalists as a whole. Without a functioning capitalist "democracy," private capitalists cannot effectively intervene in the affairs of state-owned companies. This is because the governmental bureaucracy in China is not a servant of capitalists, but rather the owner of the State Capital Conglomerate. They are not accountable to anyone but themselves, for they are a self-appointed body in power.

However, in order to balance all kinds of powerful interests within the State Capital Conglomerate, in order to prevent the group's overall interests from being damaged by parasitism and rent-seeking behavior, which will inevitably be brought on by monopolies, the leadership of the State Capital Conglomerate consciously divided the state-owned business and enterprises in every field into several competing semi-independent companies. For example, in the energy sector, there are competing China Petrol and Sinopec, etc., in aviation there are competing Air China, China Eastern Airlines, and China Southern Airlines etc., there are five competing banks in finance, and three competing firms in telecommunication, etc.

For the interests of the State Capital Conglomerate as a whole, these companies are often re-divided or recombined as needed. For example, the railway equipment business was divided into two businesses more than a decade ago, just as massive urban subways and a network of bullet train constructions began to take place throughout China. In 2015, as a part of China's "Going-Out" strategy and to avoid its subordinate companies competing with each other internationally, the two were recombined.

Not only do they re-divide or recombine companies as needed, they often rotate the CEOs of those competing firms. On July 20th, 2015, for example, the state-owned Assets Supervision and Administration Commission (SASAC) announced the personal rotation among CEOs from four different rail related firms. To end a destructive marketing competition between the companies controlled by the State Capital Conglomerate, on November 1st, 2004, SASAC announced a similar rotation of the CEOs of the three main competing telecom operators: China Telecom, China Mobile and China Union on the same day. This kind of CEO rotation by government decree is inconceivable in the mutually autonomous capitalist firms in the West.

In those imperialist countries where the private monopoly capitalists dominate, such as in the United States, the EU, or Japan, business enterprises, political parties, and the military are relatively independent of each other. The collapse of the Wall Street Lehman Brothers' investment bank in 2008 was a case in point. In comparison, in early July 2015, with an order from the State Council, state-owned enterprises collectively prevented a crash of the Chinese stock market, which is hard to do in other capitalist countries. This is the kind of capitalism with Chinese "characteristics" that is unique in the world.

Table 3: Comparison of Chinese state-owned companies and Western multinationals by assets in the Global 500 (2016 data)

Non - financial	Assets		Financial	Assets	
	Ranks	Millions $		Ranks	Millions $
U.S. and European companies			**The U.S., European, or Japanese consortiums**		
GE	26	492,692	Fannie Mae	40	3,221,917
Volkswagen	7	414,858	Mitsubishi UFJ Financial Group	191	2,654,413
Royal Dutch Shell Oil	5	340,157	Japan Post Holding Company	37	2,597,856
Exxon Mobil	6	336,758	HSBC Holdings	68	2,409,656
Verizon Telecom	30	244,640	JP Morgan Chase	55	2,351,698
Apple	9	290,479	BNP Paribas	39	2,166,092
Wal-Mart	1	199,581	Bank of America	64	2,144,316
AT&T	23	402,672	Freddie	124	1,986,050
Chinese state - owned enterprises			**China's financial industries**		
PetroChina	3	621,242	ICBC	15	3,420,257
State Grid	2	478,539	China Construction Bank	22	2,825,781
Sinopec	4	317,006	Agricultural Bank of China	29	2,739,835
China Mobile	45	251,113	Bank of China	35	2,589,565

Source: Compiled from Fortune 500 website (http://www.fortunechina.com/fortune500/c/2016-07/20/content_266975.htm)

3) Taking stock of the State Capital Conglomerate

People often overlooked the fact that the State Capital Conglomerate owns the most capital and with the highest degree of monopolistic power of all single capital groups in the world. Since China is on the rise, it is particularly necessary for us to explore the nature of this group, have a more in-depth understanding of its economic base, and have a clear description of its basic attributes.

Based on asset statements of Table 3, we can see that the degree of monopolistic power of the State Capital Conglomerate (measured by its assets) has far exceeded any single capitalist group in the West.

Additionally, according to the data released by Chinese Ministry of Finance, as of the end of 2014, total assets of (non-financial) state-owned enterprises is 15,953 billion dollars, of which, total assets of central government owned enterprises 8,391 billion dollars, while provincial state-owned assets totaled 7,563 billion dollars.

Table 4: Listed number & asset shares of Global 500 by industries & countries/regions (column peak in bold)

Industries	Aero space		Energy & Chemical		Engi-neering		Construction		Materials		Automotive		High-tech		Communica-tions		Transporta-tion	
U. S.	6	36%	16	15%			2	7%	3	14%	11	**57%**	3	**32%**	7	13%	7	**50%**
W. Europe	3	20%	24	29%	3	15%	5	29%	10	**38%**	3	4%	6	28%	8	24%	6	20%
Japan			6	4%	1	3%	2	10%	10	30%	5	12%	3	17%	1	3%	4	14%
China	6	**44%**	25	**31%**	9	**82%**	8	**47%**	6	9%	9	13%	3	18%	3	**58%**	6	14%
Others			24	20%			1	7%	5	9%	5	13%	2	4%	1	1%	1	2%

Source: Compiled from Fortune 500 website (http://www.fortunechina.com/fortune500/c/2016-07/20/content_266975.htm)

The data above shows that, as for a single listed company, those state-owned enterprises from China are comparable in size to those monopoly capital groups from the United States, the EU, or Japan. However, in contrast to the relative autonomous relationship between companies in the Western world, all the state-owned enterprises in the Global 500 from China are subordinate entities of the Conglomerate. By combining industrial and financial capital as a whole, it has more capital than any single monopoly capitalist companies, groupings, multinationals, conglomerates, cartels, syndicates, consortiums, or trusts in the United States, Europe, or Japan.

Guided by state capitalism, this Chinese State Capital Conglomerate has an absolute control of its ruling party, its state machinery, and its military. This enable it to directly mobilize the world's largest industrial and financial capital on top of the power of the state to serve its own need for capital expansion.

The strength of this group is demonstrated by its dominance in manufacturing.

With the exception of high-tech enterprises, it seems, all other Chinese firms listed in Table 4 are state-owned enterprises. Although the technological gap between Chinese state-owned enterprises and their Western multinational counterparts is still very large, based on the capital strength of state-owned enterprises, through buying sprees or through massive investment spending, the gap between the two is rapidly diminishing.

Due to the serious overproduction crisis in recent years, the state-owned enterprises are faced with a strong "Going-Out" pressure. The future proportion of their overseas capital will continue to rise. They are trying hard to overcome their weakness of having too much of their capital invested in their home country. Therefore, in recent years, the growth trends of both Chinese commodity and capital exports worry Western countries. China's capital export to Asia, Africa, Latin America, and the EU are solid classical capital exports, and mostly are non-financial investments. From 2015 onwards, Chinese non-financial investment abroad has exceeded the non-financial foreign direct investment (FDI) in China.[13]

If one is oblivious to the role of the State Capital Conglomerate in today's capitalist world, and failed to see it as the most powerful force behind the rise of Chinese capitalism, one cannot understand why Chinese capitalism is able to rise to a position that threatens Western powers while others such as India or Brazil cannot.

Unless the State Capital Conglomerate collapses on its own, as was the case for the former Soviet Union, what is the chance that she will not compete against

13 See for example http://www.china-briefing.com/news/2016/11/01/chasing-chinas-outbound-direct-investment.html?utm_source=iContact&utm_medium=email&utm_campaign=Asia% 20Briefing & utm_content = AB_Flyer_Nov22016_USWest

the current top dog for world hegemony? Can subjective human desire change the objective laws and internal logics of capitalist development?

4) China's challenge to the U.S. leadership in the global imperialism

The relation between China and the United States is surely greatly different from that during the Cold War period between the United States and the Soviet Union. However, this does not mean that China and the United States will not contend for hegemony. Once China cannot continue its development very well under the current imperialist system, it will definitely try to change the system. Relative to other developed countries, China is indeed independent, especially in its military and in politics, which has far surpassed other developed countries. Its independent strength in the economy is also gradually growing. In contrast, the United States firmly controls other developed countries' military affairs through NATO and other methods, from which, the United States can easily manipulate other developed countries' politics.

The Chinese challenges to the U.S. imperialist world hegemony today obviously does not mean that China has been able to sit with the United States as equals, achieving a situation similar to that of the Soviet Union during the cold war. However, China's challenge is different from the challenge Japanese cars gave to the U.S. market in the 1980s, or the challenge the Euro gives to the Dollar and so on. Due to the lack of military independence, and the dependence in politics caused by it, no matter what the threat was from Japan or the EU, the U.S. imperialists were able to contain the challenge by employing their political, economic, and military advantages, or acting as a spoiler. This is the fundamental reason why those who have tried to dispute the "threat from China" by pointing out that "American media greatly exaggerated Japan's threat also in the 1980s, but it all disappeared later," misses the point. Because of its military independence, its independence in politics is assured, which makes China's challenge hard to be contained by the U.S. This makes the U.S. imperialists mostly worried.

U.S. imperialism should be the one that is most clear about who poses a real threat to its hegemony. In Africa, for example, the U.S. imperialists have realized that they cannot rely on their economic power to counter the growing influence of China there. They have to rely more on their naked military hegemony to counter their opponents.

Although the Western powers' declaration: "China is pushing for new colonialism in Africa!" is like robbers calling out thieves, the Western powers, after all, have a very acute sense of smell for those who are truly threatening their interests, much stronger than nerdy intellectuals and outsiders. They are not afraid of a large number of small traders from China, because those from India in Africa may be more than those from China, but we have not heard of any condemnation of Indian neo-colonialism. The

reason they have condemned big capital from China entering into Africa is because "it takes one to know one." Chinese capital is gradually breaking the monopoly hold of Africa by Western powers. Without these developments, there would not be panics and condemnations of China by the West.

The development of the international situation has been so clear that the U.S. imperialists in Africa are not worried about the challenge posed by Russia, Brazil, or India, nor challenges from any other old-time imperialists.

6. Conclusions

After China lost the 1940 opium war, especially after the defeat of the 1894 war with Japan over the control of the Korean peninsula, China became a poor country suffering from aggression and oppression by the imperialist powers. However, after the 1949 revolution that kicked out the Western imperialists, and an industrial foundation was laid in Mao's era, as well as 40 years of special conditions for sovereign Chinese capitalist development, it is no longer a backward poor agricultural country. With the rise of Chinese capitalism, its position in the world has taken a dramatic change.

There are many examples of huge changes in history. By the 1890s, the United States' industrial output exceeded that of Britain, even though it was a former colony of Britain. Today, China has also surpassed the United States. There was only 50 percent of the population left working in agriculture in the United States by 1900; the Chinese population working in agriculture has also fallen to less than 50 percent by 2000. Over a century ago, Britain had to deal with the rise of Germany on one hand, and on the other hand, it had to deal with the rise of the United States. Today, the U.S. imperialism is in the same situation as was the British. On the one hand, it has to deal with the relatively stronger combined economies of EU and Japan, and on the other hand, it has to deal with the rising of China.

Based on China's history, if one is to take the views of a narrow nationalist, angry at the "unfair" treatment of Chinese capitalists abroad is to be expected. However, if one takes a Marxist-Leninist-Maoist point of view, standing on the side of proletarian internationalism, and uses the tools of class analysis, then, will those words in defense of the neo-imperialist expansion of their powers abroad still stand? Where is their class stand otherwise? What is the difference between this kind of action and the sophistry of those "leftist leaders of workers" in the second international, such as Kautsky of Germany and Plekhanov of Russia?

The nationalist sentiment from an oppressed nation, to the degree it is anti-imperialist, is progressive, and may even be revolutionary. By contrast, the nationalist sentiment of an imperialist country, because it is built upon the foundation of

suppressing other nations, is reactionary. The current growing nationalism in China contains lesser elements of indignation against Western hegemony, but more the arrogance of competing for hegemony. Along with the rise of Chinese capitalism, it is quickly going from progressive to reactionary.

The people who support the law of the jungle in international relations (which is what imperialists do) will also tolerate capitalist oppression of the working class at home.

Nationalists are all for the fatherland, for it is a place which one can rely on to defend one's interests abroad. In the era of capitalist globalization, although there are no national boundaries stopping monopoly capital from investing, Huawei cannot count on the United States to maintain its overseas interests. Similarly, Apple's global investment cannot rely on Chinese aircraft carriers. Therefore, for transnational monopolies or oligarch capitalists to make investments around the globe, they must have their fatherland on their side before they dare to venture out.

On the contrary, under the capitalist system, no capitalist state would use the military to defend the interests of the working class. The United States history is filled with cases where the capitalists used the army and police to crack down on striking workers, and those who dared to revolt against the system. Even during the high tide of working class struggle in the 1930s, when the U.S. government finally mobilized the national guard to aim their guns at the factory guards, it was not there to defend the interests of the workers on strike, but to guard against those short-sighted employers who stubbornly refused to give workers even the right to strike. This would have forced the U.S. working class on a road to revolution during the Great Depression. Therefore, as long as the working class is not in power, workers do not have a fatherland.

Regardless of how solemn and even elegant a country's constitution is written, perhaps even invoking Marxist-Leninist phrases, holding up high certain "banners," having sacred promises, or how charismatic a leader can be, how solemnly he swears, such as "the working class is the ruling class of our country," such as for "democracy," for "freedom," or for "universal principles," etc., but at the end of the day, to determine whether or not the working class has a fatherland is to see whether a regime, borrowing one of Mao's phrases, "protects or represses the people" when they rise up to defend their rights. Whose interest is being protected reveals who has a fatherland.

May we ask in the era of globalization, whether people in the global village will allow a new superpower to dominate the world? Will the highest form of state capitalism avoid its eventual implosion as the Soviet Union did?

The reality is that U.S. imperialism has enough nuclear weapons to wipe out the planet several times round. As a Chinese proverb warns, it will not "put down its butcher's knife and become a Buddha," for the sake of humanity. It will fight to the bitter end. As the United States declines, in order to maintain its hegemonic state, the people of the United States will have to pay an ever-increasing price. This is a prerequisite for the awakening of the people in the United States. It is only through the awakening of the people of the United States that humanity can avoid the threat of nuclear war and survive. However, only an anti-hegemonic struggle of the people of the world can awaken the people of the United States, such as the Korean War and the Vietnam War. Instead, a war between imperialists fighting for hegemony will drag the U.S. people into the imperialist camp.

In the nuclear age, the only way out for the very existence of humanity is for the workers of the world to unite and fight against all hegemonies together!

Lenin's Theory of Imperialism and the 21st Century American Empire

Roland G. Simbulan

Vladimir Ilyich Ulyanov, better known by his revolutionary alias Lenin, with the publication of his the essay, *Imperialism, the Highest Stage of Capitalism* (1917), became one of the pioneering Marxist authors on the theory of imperialism together with Rudolf Hilferding (Finance Capital), Rosa Luxemburg (Accumulation) and Nikolai Bukharin (Imperialism and World Economy). Together, their pioneering writings, dubbed as the "classical Marxist theory of imperialism," surveyed the emergence and development of the world capitalist economy during the early part of the 20th century.

This chapter seeks to give an update on the analyses of the contemporary situation of people's struggles against imperialism and to grapple with theories which have further contributed to the theory of imperialism since Lenin's pioneering study on imperialism. The chapter also analyzes the various instruments of modern imperialism today, at a general, theoretical and empirical level. U.S. imperialism's designs in Korea, the Philippines and most especially in Vietnam, and now in the Middle East, are very disturbing and continue to be so, from the 20th to the 21st century. But they show why the past and current U.S. actions in the world are in fact mobilizing more enemies against the U.S. around the world.

Lenin's Imperialism was actually written in 1916, that is, in the midst of the imperialist war (World War I). Printed in 1917, he sought to lay bare the essential nature of imperialism, and thereby to unmask the policies of the imperialist powers, the roots of the imperialist war, the treachery of the other 'socialist' leaders who had gone over to the side of the imperialists, and to show the workers that the way forward was by the overthrow of imperialism.

Lenin showed that imperialism is a new stage of capitalism, and he discovered its nature and its laws of development. He showed that the imperialist stage is the highest and last stage of capitalism and that the epoch of imperialism is at the same time the epoch of proletarian revolutions.

Imperialism was defined by Lenin as the monopoly stage of capitalism. In giving this definition, Lenin makes clear its exact meaning with a wealth of factual material then available. Then he demonstrates the special features of this monopoly stage:

1. the concentration of production and capital has developed to such a high degree that monopolies play a decisive role in economic life;

2. the merging of bank with industrial capital has created "finance capital" and a "financial oligarchy";

3. the export of capital has developed, as distinguished from the export of commodities;

4. international capitalist monopolies have been formed, which share the world among themselves;

5. the whole world is divided among the great imperialist powers.

Lenin traced the process of development of imperialist powers. He shows how the export of capital gives rise to the annexation of colonial territories, and to the subjugation of millions of colonial peoples to imperialist domination. The world is divided among the imperialists, he said. But no division of the world can ever satisfy them. For there is a "law of uneven development" which means that as some imperialist powers expand and outstrip others, they put forward the demand for a re-division of the world corresponding to the new balance of forces. Hence, Lenin wrote, imperialism is inseparable from imperialist wars. (Lenin, 1917)

Lenin then showed that with imperialism, all the parasitical features of capitalism are accentuated. With imperialism, capitalism is in decay, the stage is set for colonial liberation and for the proletarian revolution.

At the same time Lenin showed how in the imperialist countries the super-profits made by imperialism are used to bribe a section of the working class, who therefore see their own interests as being tied up with those of imperialism. This is the basis for the growth of opportunism in the working class movement, according to Lenin.

Historically, Western imperialism has taken the form of tributary, mercantile imperialism, industrial, financial and militarism forms of empire-building. The commercial ascendance of imperialism as a result of its consolidation, led to manufacturing with finance capital, thereby destroying local markets. Lenin also covered the rise of monopoly and of inter-imperialist rivalry.

Other Significant Theories of Imperialism

Rosa Luxemburg's *The Accumulation of Capital* observed that capitalism exists alongside other modes of production, and that capitalism expands into its non-

capitalist environment, ultimately swallowing it all up. She argued that capitalism needs this non-capitalist environment to survive. Hilferding, in *Finance Capital*, focused on banks as the central actors in the growth of monopoly capital, because for Hilferding, the main function of banks is to centralize money capital nationally and internationally. Bukharin's *Imperialism and the World Economy* gave a comprehensive picture of developments inside the advanced capitalist countries and how they transformed the world economy. (Brewer, 1980)

Lenin critiqued, integrated and popularized the writings of Luxemburg, Hilferding and Bukharin to develop a comprehensive "theory of Imperialism as the highest stage of capitalism."

Multilateral Imperialism

From the colonized world - the victims of colonialism - more and more writings have emerged. Dan Nabudere's *The Political Economy of Imperialism* (1978) was a pioneering work on imperialism from the perspective of Africa, one of the first victims of predatory and primitive accumulation by European capitalists through plunder and colonization. Nabudere contributed immensely in detailing the history of imperialism from its mercantilist to its present multilateral form. His work profiled the history of Western economic powers starting with the growth of capitalism from the medieval mercantile system, through the industrial revolution and the hegemony of finance capital. The Western economic system of capitalism, according to Nabudere, created evolving contradictions and this affected the character of colonial expansion. He stressed that the changing forms of imperialism have been necessary features of Western capitalism's resilience by containing its own crisis. It is therefore necessary to dissect the political, economic and military instruments of modern-day imperialism.

Trade and Imperialism

It can be recalled that in his classic work, *Capital*, Sec. 2, Depression of Wages below the Value of Labor-power, and Sec. 5. Foreign Trade, Karl Marx had identified foreign trade as an instrument of imperialism to "buy some necessities of life more cheaply than they could be produced at home, raising the rate of surplus value, and also to buy some means of production cheap, reducing the value composition of capital and from both angles, foreign trade raises the rate of capital." Marx expected the spread of capitalism to lead to full capitalist development everywhere, unless socialist revolution came first. Further, Friedrich Engels had seen that as capital expansion occurs in other countries, fixed investment picks up, firms draw in bank credit for expansion, speculative schemes emerge, and the interest rate starts to rise again (Arghiri, 1972).

During the past half century, the works of the *Monthly Review* school notably Baran (1957), Sweezy (1966) and Magdoff (1969), Kemp (1967), Frank (1969), Petras (1980) and Emmanuel (1972), have contributed to the wealth of material on imperialism, both theoretical and empirical. These works - from a Marxist point of view, illuminate the theory, history and roots of imperialism, and have definitely contributed to enriching Lenin's basic theory of imperialism, though not always completely agreeing with it, by updating it (Radice, 1980; Brewer, 1980). Their works bring us through the period of Western Europe's global expansionism associated with the Industrial Revolution to the era of the multinational corporation, and to modern-day U.S. imperialism. But more significant are their contributions - through their writings tested in revolutionary praxis like Lenin - on the theory of imperialism coming from revolutionary leaders like Mao Zedong, Ho Chi Minh, Kim Il Sung, Fidel Castro, Che Guevara and Amado Guerrero (nom de guerre of Jose Ma. Sison).

Militarism and Imperialism

The global empire of the United States today covers the world with nearly 800 military bases excluding secret bases, multilateral (NATO) and bilateral alliances, a dominant position in international financial institutions (World Bank, IMF), the multilateral global trade institution (World Trade Organization), and with U.S. transnational banks, investment houses and transnational corporations in the north and south Americas, Europe, Middle East, Asia-Pacific and Africa. (Simbulan, 2016)

U.S. imperialism has resorted to militarism and state terror, promoting and supporting militarist and authoritarian dictatorships supporting U.S. economic, expansionist, and strategic objectives. This militaristic hegemony can be seen in the long historical context of the emergence of modern-day U.S. imperialism that was built on the foundations of genocide, murder and exploitation starting with the extermination of American native Indians to the atrocities in Samar during Philippine-American War and Bud Dajo massacres against the Moro peoples.

The Asia-Pacific region is rich with the struggles of Asian peoples fighting colonialism and feudalism and who were met with the colonial state's terrorism, and later by post-colonial regimes who adhered to the "U.S. national security doctrine." Historically, U.S. imperialism and sections of the local elites who have been co-opted relied on national security laws to suppress the national and democratic aspirations of the people. Many of Asia's national security laws have their origins in colonial emergency powers but these continue to evolve and have been adopted by local elites to perpetuate their rule. And here lies the central question of the relationship between imperialist-led economic globalization and U.S. militarism.

The "blowback" from its military and political intervention in the Middle East especially its support for the Zionist police state Israel, resulted in the September 11,

2001 attacks on the World Trade Center and the Pentagon. This event was used as a pretext to declare a so-called "global war on terrorism" and created a pretext for U.S. imperialism to extend and justify the use of draconian national security laws and measures such as the U.S. Patriot Act to suppress the American people's movement for democracy and human rights. These attacks that hit U.S.imperialism's heartland and the very symbols and headquarters of capitalism and the U.S. military created events that were used to justify the aggressive military interventions, invasion and occupation by the United States of the oil-rich countries like Afghanistan, Iraq, Libya, and Syria. In the very heartland of U.S. imperialism as well as in countries with strong anti-imperialist states or people's movements, militarism and the adoption of draconian measures became reactions to legitimate people's demands and self-determination by their states.

We should note that in the last half of the 20th century up to the present, the United States has resorted not only to the hegemony of its transnational capital and its U.S. military forces globally. It is also engaged through the global media that it controls, in a hegemony of definitions, as in the case of "the war against terror," where the enemy is defined as all those opposed to or are critical of U.S. imperialist globalization. Like it did against people's movements, socialist states and national liberation movements during the Cold War, it continues to resort to the hegemony of defining its post-Cold War enemy: "international terrorism" - no matter how vague and broad the definition. It uses the shadow of its own creations like the Al Qaeda and ISIS to sow fear among the world's peoples so that they will accept or invite the U.S. armed forces to protect them.

But U.S. imperialism today is not only in a state of hegemony but in a state of crisis - both inherent characteristics of moribund capitalism (Lenin, 1917). The multiple crises of global capitalism are so acute that it suffers from the combination of crises in legitimacy, in overproduction, and over-extension. Liberal democracy itself is in a crisis so that even its best ideologues are beginning to abandon neoliberalism. The disillusionment toward the neoliberal model has been compounded by instances such as the collapse of local economies after following the International Monetary Fund's neoliberal prescriptions to the hilt. So that now, imperialism must seek new enemies or threats to deflect and distract attention from this crisis. There is now a need to justify a more aggressive assertion of global power either under the banner of "a war against international terrorism," or the brewing threat by the economic colossus, China, which is flexing its military muscle in the South China Sea to protect its sources of energy imports and raw materials.

Nevertheless, the United States is still the unmatched global military power, wielding its global power using its powerful navy in all oceans of the world. The U.S. Navy is its main instrument of global power projection to project, defend and maintain U.S. empire building. The U.S. Navy's 11 aircraft carrier strike groups worldwide allow it to strike anywhere on our planet. Its huge naval or sea power are supported by

a string of overseas military bases for logistics, repair, replenishment, training, staging area, military power projection and storage of war materiel (Simbulan, 2016).

With an estimated 800 to 1,000 military bases and the stationing of hundreds of thousands of U.S. troops around the world, the U.S. - like the ancient times' Roman Legions - divided the world to defend the Empire into 10 Global U.S. Military Commands and placed all the U.S. military bases under these Global Commands. These U.S. Global Commands are the following:

1. U.S. African Command - covering 53 African countries.

2. U.S. European Command - covering Europe, the former states of the USSR, Greenland, parts of the Atlantic and Arctic Oceans.

3. U.S. Central Command - covers the Middle East, and the central area of the globe between Europe and Asia.

4. U.S. Pacific Command - covers north and west Pacific Ocean, South Pacific ocean to Antarctica, China and India.

5. U.S. Northern Command - covers the continental U.S., Canada, part of the Arctic Ocean up to the North Pole.

6. U.S. Southern Command - covers the Caribbean, part of the Atlantic, Central America and South America, down to the Antarctica.

7. U.S. Special Operations Command - coverage and operations anywhere in the world where needed.

8. U.S. Transport Command - coverage and operations anywhere in the world where U.S. troops, war equipment and supplies are needed.

9. U.S. Space Command - covers all areas in outer space.

10. U.S. Strategic Command - manages all U.S. nuclear forces globally.

It arrogated upon itself to become the self-appointed "policeman of the world" and wantonly violates international law, the sovereignty of independent nations, and the U.N. charter, branding its enemies as terrorists or terrorist/rogue states. And if it suits its own interests, the U.S. sometimes invokes international law to strike against other nations.

The Central Intelligence Agency (CIA) is the overseas intelligence agency of the United States and perhaps the most popular because of its exploits - including

disinformation about it - that Hollywood has mythologized and glamorized. In reality today, the U.S. intelligence community - known as the Fourth Branch of the U.S. government, has 16 agencies and departments all coordinated by the Director of National Intelligence: The CIA, the Defense Intelligence Agency of the U.S. Department of Defense, the Federal Bureau of Investigation (FBI), the Technical Operations Support Activity (TOSA) of the Joint Special Operations Command, the Office of Naval Intelligence of the U.S. Navy, the National Security Agency (NSA), the National Reconnaissance Office, the North American Aerospace Defense Command, the National Geospatial-Intelligence Agency, the National Counterterrorism Center, the Federal Investigative Services Division, the Department of State Bureau of Intelligence and Research, the Department of Energy Office of Intelligence Support, the Drug Enforcement Administration (DEA), the Department of Treasury Office of Intelligence Support, and the Department of Homeland Security.

Of these, we can say that the most powerful is the National Security Agency (NSA) which though low profile, has the largest annual budget among U.S. intelligence agencies. It eavesdrops the entire world, and its mission is also to protect U.S. national security information systems and to collect and disseminate foreign signals intelligence and intercepts. The NSA maintains the most sophisticated and most technologically advanced eavesdropping system that has ever been devised. Through a relay system of satellites and spook stations in Australia, New Zealand, UK, Canada and the United States, the U.S. is able to intercept all telephone, fax, email, internet and cellphone transmissions worldwide. Its nerve center is located at Fort Meade in Maryland where the NSA maintains its headquarters.

The NSA of the United States has developed a global surveillance system, codenamed under various projects and programs, which is a powerful electronic net operated by supercomputers that intercept, monitor and process all phone, fax, and mobile signals. The European Parliament in a 1998 Report titled, "An Appraisal of Technologies of Political Control" has listed serious concerns and has recommended an intensive investigation of U.S.-NSA operations directed at European allies. Ed Snowden, a former CIA/NSA technician turned whistleblower, bared U.S. spying on the messages through NSA's cutting edge surveillance programs such as 'Mystic' which collects metadata and content from mobile networks in the Philippines, Caribbean, Mexico, and Kenya, among other countries, where the U.S. gathers personal data on mobile calls and text messages. Snowden even mentioned that the U.S. Embassy in Manila is among the 90 countries where "surveillance facilities" have been set up by U.S. intelligence units at its Embassy. A clandestine mass electronic surveillance data mining program called "Prism" has also been put in place to collect stored internet communications, reaching as far as Jakarta, Kuala Lumpur, Phnom Penh, Bangkok, Yangon, Taiwan, Hong Kong, Shanghai and other cities of China, according to CIA/NSA whistleblower Snowden.

It can be recalled that under the 1999 Visiting Forces Agreement(VFA) and the 2014 Enhanced Defense Cooperation Agreement, the coverage for special privileges and criminal immunity includes not only U.S. armed forces personnel but also "civilian personnel who are employed by the U.S. armed forces and who are accompanying the U.S. armed forces." These U.S. "civilians" include not just the private defense contractors but the technicians of the secretive U.S. National Security Agency like Ed Snowden which, during the existence of the U.S. bases here, operated the spy communications facilities at Clark, Subic, and Camp John Hay, among others (Simbulan, 1985).

Meanwhile, the CIA has been exposed as not only the covert overseas intelligence agency of the U.S. Empire but as "an action-oriented" vehicle of American foreign and military policy engaged in assassinations, political destabilization and coup d'etat against other countries and peoples. The 1975 Committee Report of the U.S. Senate led by Senator Frank Church which investigated the CIA covert activities abroad revealed how countless foreign governments were overthrown by the CIA as in Iran, Indonesia, Chile. The CIA even had a hand in the military coup in Chile in 1973 that led to the death of the socialist president Salvador Allende. CIA paramilitaries and U.S. Special Operations Forces are now tasked to assassinate high value "terrorist targets." In recent years, the CIA has also used its killer drones to guard the U.S. Empire and its interests. Unmanned Aerial Vehicles (UAVs) or drones fittingly named "predators" and "reapers" are now managed by the CIA from its Virginia headquarters to engage in targeted killings or assassinations of those nominated "for lethal action." Kill lists of individuals are kept all over the world, monitored and targeted for borderless strikes.

The Cultural Instruments of Imperialism

The cultural hegemony of modern imperialism must not be overlooked or underestimated. The use of the so-called "soft power" which is often focused on the economic aspect like trade and foreign aid including loans, often neglects the "winning hearts and minds of the world" through Mc Donalds, Levis, Hollywood, Microsoft and other U.S. commercial icons which have captivated hearts and minds in a globalized environment. Meanwhile, the global media like the CNN - in 24 hours, 7 days a week - dishes out imperialist propaganda and continuously advertises to the world the "American way of life." All this adds to the structure of a world already dominated by the U.S. military's (or hard power) global power, and U.S. transnational corporations and banks. This is not just about the Americanization of our eating habits. We must not underestimate this "soft power" being effectively mobilized and used as an asset by this hegemonic superpower. The eminent sociologist C. Wright Mills had written:

"Culture in our cultural apparatus was no longer the spontaneous creation of the people but instead was an aspect of the organization and reproduction of social and political domination. If social transformation was at all possible, its protagonists were obliged to understand the process and distribution of key cultural forms. The most formidable part of this cultural apparatus is the educational system where artistic, intellectual and scientific work goes on" (C. Wright Mills, 1954).

The economic system, according to Lenin, is driven by the accumulation of capital, that is, by an attempt by a small minority of persons who own society's productive wealth to maximize both the profits and the growth of their enterprises. This capitalist drive is incessant and engulfs nearly every aspect of life in every nation on earth. The conditions of the global economy today also make us reflect on the centrality of the dynamics between the now globalized, integrated market economy and the institutions that it has created to perpetuate itself. For in the academe, we see the neoliberals and neo-conservatives giving birth to ideas to sustain it, how to supply the future managers for the capitalist system, and the arguments to rationalize the existing dominant capitalist order. Thus, the academe becomes the ideological home for the rationalizations and analyses for the "free markets," "free trade," and "deregulation and privatization." But our neoliberal friends and colleagues in the academe often neglect to tell us that their prescription is based on freedom for business but discrimination and repression for the laboring poor.

The grand ambition of imperial powers is to create a cultural infrastructure that would hold firm the dominant imperial policy frameworks that would shape the values, ethics and morality of the times, no matter how distorted. The core and fabric of American media is to argue that imperial aggression and American values are for our own good.

Also, on the ideological battleground is U.S. imperialism's methodical efforts to secure effective legitimacy for American policy in other countries using the writings and interviews with American ideologues like Henry Kissinger, Samuel Huntington, Jeanne Kirkpatrick, and Francis Fukuyama - to name a few of U.S. imperialism's foremost contemporary rightwing ideologues. This has been a serious arena for U.S. hegemonic winning of hearts and minds both in the American heartland as well as the educated influential elites in other countries. Furthermore, they have engaged in a "conservative revolution" for the 21st century, waged by the most influential intellectual institutions or think tanks in the U.S. like Kissinger's Harvard Center for International Affairs, the American Enterprise Institute, the Heritage Foundation, among other institutions, which are well-endowed with hundreds of millions of dollars in U.S. government and corporate funds to specialize in the critique of government income-redistribution programs, and rationalizing the conservative Right's domestic and foreign policy. These ideas-producing conservative institutions have produced and disseminated their ideas through books, journals and even subtly, through Hollywood movies.

The biggest U.S. transnational corporations and the Pentagon have also offered to finance Professorial Chairs in most of the United States' most prestigious universities to support scholars like Huntington, Kissinger and Fukuyama who peddle quality conservative thought. It would be just quite simplistic for us to dismiss their intellectual initiative and influence that still dominates the thinking of mainstream as well as most American and Filipino academics and even policy-makers. It is both a lesson and challenge to progressive scholars who must seriously learn how to counter this intellectual aggression and onslaught with their own original and distinguished intellectual work.

Super-priced, Super-technologies for Warfare

Since it first exploded its two atomic bombs on Japan in 1945, the United States has led the global arms race, spending unsurpassed amounts for its war-fighting capabilities. Today, it maintains that lead over China, Russia and other nuclear-armed states, especially in terms of aircraft carriers, large surface ships, ballistic missile submarines and attack submarines. According to Jane's Annual Report (2015), each of the U.S.' floating bases – its 11 aircraft carriers – are estimated to have cost an average of US$13 billion each.

First, the United States has weaponized outer space, even creating a U.S. Space Command to place weapons in outer space or on heavenly bodies to attack enemy satellites, surveillance, to jam signals sent from enemy satellites, or having floating lasers to incapacitate enemy satellites, orbital ballistic missiles. Previously, it had militarized space using space-based assets for C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance). The U.S. has led emerging global military powers in transforming space into a potential battleground, "the fourth frontier of war." It has also developed long range intercontinental ballistic missiles (ICBMs) as part of its Ballistic Missile Defense (BMD) to destroy its enemy's space-based assets. It is estimated that the U.S. military relies on space for 70-80% of its intelligence, and 80% of its communication. The placement of U.S. weapons in outer space has prompted China and Russia to push for a Treaty on the Prevention of an Arms Race in Outer Space (PAROS) to prohibit space weaponization.

Second, the U.S. leads in its most advanced Seawolf and Virginia class nuclear submarines which operate in all oceans of the world. These U.S. nuclear submarines are fast, with very low noise propulsion, and almost impossible to detect.

Third, using cutting-edge research and fast-tracked technologies, Artificial Intelligence Battlefields are not anymore a mere subject of fiction. The U.S. Department of Defense (Pentagon) has developed military applications of Artificial

Intelligence (AI), starting with unmanned weapons systems to command and control, and "informationalized" and "intelligentized" ways of warfare.

But the superiority of the United States in terms of military technology and high-tech warfare is being matched by its economically-robust neighbors foremost of which are China and Russia which are also leading global weapons exporters next to the United States. U.S. dominance in space militarization and weaponization also becomes its Achilles Heel because China, for example, has developed anti-satellite systems to attack U.S. space systems to paralyze its enemy. China's use of Electromagnetic Weapons as part of its application of "assymetric warfare" aims to exploit the vulnerability of the U.S.' high-tech weapons systems which are overdependent on information and communication assets. It may not be long that we will be witnessing an Artificial Intelligence battlefield. Copying the U.S. military-industrial complex model, Chinese technology companies like Baidu Inc., Alibaba Group, Tencent Holding Ltd. and China Electronics Technology Group Corporation have married military applications to their new technological breakthroughs in AI and hypersonic technology.

100 years after it was written, Lenin's seminal work, *Imperialism, the Highest Stage of Capitalism*, continues to be a guide to our understanding of imperialism, unmasking its dynamics and motivations. It also unmasks its continuing actions of murder and lawlessness around the world that would chill the bones of anyone who cares about justice, liberty and human rights. Lenin's contribution to understanding capitalism's tentacles in the global arena is scathing and effective in exposing and undressing U.S. foreign policy.

If we do not learn from this, we will continue to live in the specter of fear that our young generations will again face the prospect of being used as canon fodder in inter-imperialist wars, in a war where there are no borders, and with destructive consequences that we can no longer just imagine, especially if nuclear war becomes the option.

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A Century of Rivalries and Wars

Pio Verzola Jr.

Introduction

In the spring of 1916, V.I. Lenin sat down to write one of his major works, *Imperialism, the Highest Stage of Capitalism*, with its theses about the five features of a capitalist system gone monopolistic. He asserted that the fifth feature of imperialism — the world being sliced thoroughly by the imperialist powers into their respective territorial spheres of influence — inevitably led to rivalry and war. Most appropriately, Lenin completed writing the book in the middle of the First World War and first published it in mid-1917.

According to Lenin, modern imperialism as the highest stage of capitalism is distinguished by five key features: (1) the extreme concentration of capital such that monopolies dominate; (2) the emergence of finance capital from the merger of industrial and bank capital, leading to the rule of finance oligarchy; (3) the export of capital to other countries; (4) the formation of international cartels or economic alliances for the control of global markets; and (5) the complete division of the world among the imperialist powers.

Some of the key economic features of imperialism were already explored earlier by such writers as J.A. Hobson (1902) and Rudolf Hilferding (1910). While Lenin quoted extensively from Hobson and Hilferding, he brought the discourse to a higher level. Among his strongest reasons for doing so was to prove beyond doubt that "the war of 1914-18 was imperialist (this is, an annexationist, predatory war of plunder) on the part of both sides."[1]

Lenin asserted that imperialism's fifth feature meant, first of all, that every imperialist power strove to maintain and expand its own sphere of influence in the world by exercising control over other countries as direct colonies, semi-colonies, and other types of dependencies.

However, younger but fast-rising capitalist states with fewer colonies tended to be more aggressive in competing for territory. The eventual result would be inter-imperialist wars.

1 V.I. Lenin, "Preface to the French and German Editions" in *Imperialism, the Highest Stage of Capitalism*.

The post-World War I situation would unravel anew to bring forth revived militarism and fascism among the big capitalist powers, eventually leading to the more vast and destructive World War II. The ensuing Cold War was not a classic inter-imperialist war, but US bellicosity and Soviet revisionism soon turned into a test of strengths between two superpowers for the next four decades.

As yet there has been no third global war. Nevertheless, all powers have been arming themselves as if a new inter-imperialist war were to erupt tomorrow. Many are engaged in local wars, border wars, and civil wars together with their client states. Meanwhile, wars for national liberation continue to rage in Asia, Africa and Latin America. They are objectively in response to imperialist hegemony, and are within the scope of this paper.

Thus, the questions remain: Has imperialism truly and finally reached a stage where it can already avoid a destructive world war? Have imperialist powers finally learned to cooperate and moderate their rivalries, effectively reduce the potential for armed conflict among themselves? What are the dominant and long-term trends that give continuing shape to imperialism's fifth feature?

A Restatement of Lenin's Fifth Feature of Imperialism

We proceed by restating the main points of Lenin's explanation about imperialism's fifth feature as elaborated in Part VI of his work *Imperialism, The Highest Stage of Capitalism*.

The development of pre-monopoly capitalism reached its limit in the 1870s. Between 1876 and 1900, the colonial powers had seized all uncolonized territories of the world. Six countries had clearly turned imperialist: US, Germany, and Japan as young and rapidly advancing powers; France and Great Britain as old and slowly advancing powers; and backward Russia. By the start of the 20th century, the final partitioning of the world had become complete.

Modern imperialism's hunger for colonies

Pre-monopoly capitalism practiced colonialism to acquire new sources of raw materials and additional markets and to engage in outright plunder and other forms of primitive accumulation. This first impulse intensified under imperialism; monopoly capitalists wanted to control existing and potential sources of raw materials and new processes while blocking off any competitors. The drive to export capital — a feature of imperialism — also impelled the acquisition of more colonies and semi-colonies. Lenin noted a third impetus for acquiring colonies: the lust for colonies is used to diffuse social unrest and rechannel it into ultra-nationalist and militarist fervor, away from revolution.

Given these factors, each imperialist power strives to enlarge its global sphere of influence and its actual state territory by seizing the largest possible amount of land of all kinds in all places, before its rivals gets there first. The imperialist state strives to mobilize its population and resources to develop its military might and capacity for conquest; in so doing, it also strengthens counter-revolution at home.

Forms of dependency under imperialism

Under modern imperialism evolved several transitional and diverse forms of state dependence. These are countries that may or may not be formally independent but actually trapped in economic, political, military, and diplomatic dependence on capitalist powers.

Lenin classified early 20th-century countries into one or other of the following categories: first, direct colonial possessions of the six aforementioned imperialist states; and second, countries in transitional forms of state dependence, which could be semi-colonial status or other diverse forms.

Lenin explained: "Relations of this kind have always existed between big and little states, but in the epoch of capitalist imperialism they become a general system, they form part of the sum total of 'divide the world' relations and become links in the chain of operations of world finance capital."[2]

The theory of 'supra-imperialism'

Karl Kautsky[3] pushed his own concept of "supra-imperialism," which was very different from Lenin's theses. Kautsky claimed that monopoly capitalists could obtain their raw material needs by "simply improving agriculture" or by getting these "in the open market" instead of a "costly and dangerous colonial policy." In his mind, "imperialism" was not an inevitable stage of monopoly capitalism, but merely as a policy "preferred" by finance capital.

He envisioned capitalism evolving into "supra-imperialism" – a union of all imperialist states in which finance capital shall have become a single global monopoly exploiting the whole world. Under "supra-imperialism," the unevenness and contradictions inherent in the world economy shall have diminished. Wars, finally, shall have ceased.

2 V.I. Lenin, *Imperialism*

3 Kautsky (1854-1938) was a contemporary of Lenin and a stalwart of German social-democracy.

Struggle to redivide the world inevitably leads to war

Lenin criticized Kautsky's theory, explaining that "supra-imperialism" — while theoretically possible — exists only as "an abstract future possibility", whereas it distracted from the early 20th-century "depth of existing antagonisms."

Lenin stressed that the very uneven development of capitalism worldwide created huge differences in the rates of growth across the global economy. It is true that imperialist countries form alliances, but these would not be flawless and permanent, and the unevenness would start reasserting itself.

Lenin concluded: Once the balance of strength is changed, "there is no way under capitalism to resolve these contradictions but through force of arms, through war." Inter-imperialist alliances of whatever form are nothing more than a truce in periods between wars. "Peaceful alliances prepare the ground for wars, and in their turn grow out of wars," he explained, adding that "one conditions the other, producing alternating forms of peaceful and non-peaceful struggle on one and the same basis..."

Imperialism intensifies national oppression

The drive for wars, conquest, and domination of other nations necessarily equates to more violations of the right of nations to self-determination. Imperialism worsens national oppression which, in turn, aggravates the unevenness inherent in capitalist development.

As Lenin said: "The policy of national oppression, inherited from the autocracy and monarchy; is maintained by the landowners, capitalists, and petty bourgeoisie in order to protect their class privileges and to cause disunity among the workers of the various nationalities. Modern imperialism, which increases the tendency to subjugate weaker nations, is a new factor intensifying national oppression."[4]

This increased national oppression is targeted not only at prospective colonies and dependent countries but rather, all potential acquisitions — including national-minority areas within domestic borders, weak neighboring states, and ultimately, the home territories of imperialist rivals.

Militarism

Always present in Lenin's work on imperialism as an underlying premise is the reality of bourgeois class dictatorship in its many forms and components. These include militarism and, as it took full shape later, fascism.

4 V.I. Lenin, "Resolution on the National Question", *CW* Vol. 24 p. 302

In his other famous work, *State and Revolution*, Lenin had reiterated the basic Marxist view that each capitalist state is, at its core, the class dictatorship of the bourgeoisie. The bourgeois state uses its armed forces and other coercive machineries against the proletariat and other exploited classes, both within its borders and overseas. Under certain conditions, this state took the extreme form of reactionary militarism.

Already deeply embedded among the foremost colonial empires of the 17th and 18th centuries, the militarist state became the norm under the impetus of emergent monopoly capitalism by the 1860s. This pattern was led by Germany under the Second Reich and Japan through the Meiji Restoration. The Bolsheviks and the Russian working class had been taking on the worst exemplary case of what Lenin called "military-feudal imperialism" — the tsarist autocracy — as their direct enemy until 1917. In *A Caricature of Marxism*, Lenin generalized this militarist tendency of monopoly capitalism.[5]

Imperialist War and Geopolitics up to 1945

The successive periods of world history in the past 100 years essentially confirm Lenin's theses on imperialism. In this section, we focus on the continuing validation of its fifth feature and other related characteristics up to the end of World War II.

Post-World War I

World War I, as Lenin had so tirelessly explained, had played itself out as a brazen inter-imperialist war between two great camps. The first socialist state was borne of this war, and our narrative proceeds from there.

After the October Revolution and by consolidating socialism, the Soviet Union inspired working-class movements and parties to launch their own revolutionary struggles and support national liberation movements worldwide. For their part, the imperialist countries founded the League of Nations in 1920, supposedly to prevent wars through cooperative action and disarmament, and to settle disputes through negotiation and arbitration. But the illusion proved short-lived.

A series of severe economic crises culminated in the Great Depression of the 1930s, fueling global mass discontent and class movements in the direction of revolution. On the other hand, fascism served as the harbinger for inter-imperialist war and counter-revolution. Clarifying the underlying basis of fascism, Jose Maria Sison explains that the monopoly capitalist class, clearly unable to rule in the old way, “sheds off the trappings of bourgeois democracy, adopts an open rule of terror and

5 Lenin, *Collected Works* Vol. 23 p. 43

launches wars of aggression to redivide the world."[6] The parties of the Comintern exposed the related trends of fascism and war preparations, and called for a united front against both. The imperialist equilibrium, on which the League of Nations was premised, began to fail.

World War II

World War II was the result of the severe pre-war global crisis, and at the same time represented a most violent and destructive attempt by the imperialist states to resolve that crisis by waging war on each other.

Nazi Germany wanted to redraw Europe's borders and crush the Soviet Union to pave the way for a Germanic world empire extending eastward to Asia and southward across the Mediterranean, with Italy as its junior partner in slicing up Africa. For its part, Imperial Japan envisioned its own "Greater East Asia Co-Prosperity Sphere" and wanted to gobble up the whole of China.

Germany, Japan and Italy formally aligned into the Axis alliance. The opposing imperialist-led alliance included France, Poland and Great Britain at first, later including the US, Soviet Union, British India, China under Guomindang rule, and other members of the British Commonwealth.

Unlike World War I, World War II showed a new aspect that was not any longer inter-imperialist: patriotic and popular forces waged anti-fascist wars of resistance in the occupied or invaded countries. Many of them aligned with Allied powers through anti-fascist united fronts and tactical cooperation, but developed independent mass bases among the toiling classes.

The Soviet forces and people eventually defeated the cream of the German armies, thus turning the tide for the whole of Europe and the world. In China, communist-led forces in alliance with patriotic Guomindang tied down and defeated the bulk of the Japanese forces. In so many countries, communists joined hands with other patriots and progressives in waging guerrilla warfare against the fascist forces.

The US profited enormously during the war — at first waiting on the sidelines, then choosing the winning side at the right moment. By war's end, it had clinched the best position from which to get the bulk of the spoils.

6 Sison, *Continuing the Struggle for National and Social Liberation*, pp. 151-153

Imperialist War and Geopolitics in the Cold War Period

Early post-war decades (1945-1960)

By late 1945, Red armies advanced across the territories vacated by the defeated and retreating imperialist and puppet armies in Europe and Asia-Pacific. These resulted in victorious people's wars and the emergence of several more socialist countries encompassing one-third of the world's population. Meanwhile, national liberation movements continued to fight imperialism and took big strides forward in Asia, Africa and Latin America.

Under such conditions, the old colonial system was finally replaced by an upgraded system of neocolonialism, in which the newly independent countries (except those most assertive of their national rights) were firmly kept within the imperialist ambit as neocolonies.

The US quickly entrenched its position as the sole superpower. It could play the role of the world's No. 1 moneybags by dominating the Bretton Woods institutions. By funding post-war reconstruction efforts, it could further its hegemony over both traditional allies and former enemies, including their former colonies and semicolonies.

The US could also play the role of the world's No. 1 policeman due to its nuclear monopoly (until 1949) and excessive supply of armaments. It could play the role of global overlord, intervening in all sorts of disputes due to its predominant role in the UN and its General Assembly and Security Council.

Using such military, financial and diplomatic leverage, the US built the widest ever neocolonial empire. As of mid-1960s, the US neocolonial empire comprised 19 countries in Latin America; four countries in the Middle East; four countries in South and Southeast Asia; two countries in East Asia; two countries in Africa; Greece; and Canada in addition to the US itself and its direct overseas possessions.[7]

But the US faced two dilemmas: First, having to rapidly reconvert military plants into civilian ones could trigger recession. And second, its hegemony was threatened by the rise of the socialist countries and national liberation movements. The US response was to launch the Cold War, which generated an intensely militarist and anti-communist, almost paranoid, paradigm of imperialism.

President Harry Truman's infamous doctrine, that the US will intervene in any country threatened by "communist aggression or subversion," would be pursued, reiterated and elaborated by eight successive US presidents for the next four decades. It was used to justify US imperialism's global military buildup and aggression as the

7 Baran and Sweezy, *Monopoly Capital*, p. 183

defender of the "free world," and to demonize socialist states as "totalitarian regimes." People's wars were grimly painted as "falling dominoes" that must be stopped before they lead to the "free world's" total collapse.

The US ringed the Soviet Union and China with military bases, created a nuclear umbrella over its ally states and puppet regimes, maintained other bases in all continents and on key Pacific islands, cemented alliances through NATO, CENTO and SEATO, and offered them a wide variety of military support. The US grew its military-industrial complex so immensely that even US President Dwight Eisenhower warned of its dangers to civilian interests.

In 1950-53, the US-led imperialist alliance launched a war of intervention to stem the tide of the final offensive in the Korean people's war. The war ended in a stalemate, and South Korea eventually turned into the third US military fortress against China (after Japan and Taiwan).

Under presidents Harry Truman (1945-53) and Dwight Eisenhower (1953-1960), the US provided economic and military support to fascist dictatorial regimes throughout the world.

There is a particularly long list of US-instigated regime changes in Latin America and the Caribbean, especially under Eisenhower's "Good Partner" policy.

A US-led alliance helped install Zionist Israel to help project imperialist power throughout the Middle East and North Africa. In Asia, the US played a crucial role in defeating the armed struggle of the old Hukbong Mapagpalaya ng Bayan while its close ally, Great Britain, mobilized the whole British Commonwealth to defeat the armed struggle of the Malayan People's Liberation Army.

The Vietnam War era (1960-1975)

Presidents John F. Kennedy (1960-63) and Lyndon Johnson (1963-69) pursued an extremely militarist framework in foreign policy. Heavy military spending went to beefing up overseas military bases and intensifying military production and space research (which was linked to military technologies in many ways). Militarism was also reflected in US domestic politics, including media and culture.

The US launched a war of aggression against Vietnam, starting with military advisers in 1950, and with troop levels tripling in 1961 and again in 1962. After ousting its own puppet Diem regime and setting up the Gulf of Tonkin incident, the US massively deployed combat forces in South Vietnam while North Vietnam was systematically carpet-bombed. The US war eventually encompassed neighboring Cambodia and Laos. The US also installed more puppet fascist dictatorial regimes

in Indonesia, Thailand, the Philippines, and elsewhere to stem the tide of anti-imperialist movements.

Japanese militarism was revived as the US junior partner in Asia. The US stood pat on its support of Zionist Israel and South Africa's apartheid regime as its crutches in the Middle East and southern Africa. The militarist trend began to extend to Europe in the face of worker and youth rebellions during the 1960s.

Reeling from defeats, demoralization, huge expenses, massive anti-war protests and political isolation worldwide, the US had no choice but to find a graceful exit from Indochina under the 1972 Paris peace agreement. The remaining US forces and their puppet armies collapsed in a final coordinated offensive by the Indochinese peoples' liberation forces in 1975.

The Soviet Union, which turned officially revisionist in 1956, gradually evolved into a bureaucratic type of capitalism masquerading as socialism. Sliding into social-imperialism, it engaged the US in superpower rivalry for world hegemony. Efforts at détente failed to stem the worsening arms race. The Soviet Union invaded neighboring countries that threatened to leave its sphere of influence, such as Czechoslovakia in 1968 and Afghanistan in 1979.

Proxy wars between the two superpowers flared here and there, especially in the Middle East throughout the 1960s and early 1970s. In October 1973 (Yom Kippur), Soviet-backed Arab states went to war against US-backed Israel to recover the Israeli-occupied Sinai and Golan Heights. This brought the world to the edge of a US-Soviet nuclear war. At the same time, the Arab-dominated Organization of the Petroleum Exporting Countries (OPEC) hit back at the West with an oil embargo. The steep oil price hikes and output cuts triggered a global crisis that rippled up to the 1980s.

The Soviet revisionist betrayal triggered a dispute with China, which had rejected revisionism and clarified its own path to socialism. Under Mao's leadership, China launched the Great Proletarian Cultural Revolution (1966-76). The GPCR deepened socialist revolution and construction, offered lessons for other socialist states, inspired young revolutionaries to lead mass movements in their countries, and revitalized communist parties throughout the world.

China also won diplomatic victories by claiming its seat at the UN in 1971 and opening diplomatic ties with the US in 1972. On the other hand, class struggles continued inside the country. These were reflected within the Communist Party and its leadership as ideological struggles between proletarian revolutionaries and revisionists, which would come to a head in 1976.

The period ended with the Indochina peoples' victory in 1975. The successive deaths of Mao and veteran revolutionaries Zhou Enlai and Zhu De in 1976, on the other hand, would soon pave the way for the Deng revisionist clique to seize power in China, towards the country's eventual shift onto the capitalist road.

Post-Vietnam War period (1975-1990)

US imperialism's historic defeat in Indochina resonated throughout the world and caused it to decline on a world scale. In particular, the massive costs of the Indochina war, the US-Soviet arms race, and the global network of military bases created gross imbalances in the US economy.

On one hand, lucrative military industries drew resources away from civilian production. On the other hand, the 1973 oil crisis triggered by the Yom Kippur war and the 1979 oil crisis triggered by the Islamic revolution in Iran fueled worldwide inflation. As a result, the global capitalist economy was double-squeezed by a long-drawn economic malaise called "stagflation."

There were other factors for the US decline. While the US was bogged down in the Cold War and wars of aggression, the economies of Germany and Japan had fully recovered. By the 1960s and 1970s, they and other capitalist countries started to compete with the US in a shrinking world capitalist market.

The US could remain on top for a while because of its still formidable capacity to extract surplus from its working class, further squeeze its neocolonies, and tie down the whole world to a financial system pegged to US dollars. Imperialist countries as a whole continued to shift the burden of the global capitalist crisis to their neocolonies.

But more and more, Third World countries and peoples became more restive. Even the imperialists' loyal client states began to resist some of their masters' impositions. Nationalist calls for protectionism reemerged. In the UN and in other global fora, Third World states raised the demand for a New International Economic Order.

US investment banks that amassed windfall profits during the oil crises sought to invest their petro-dollars elsewhere. Third World states, urged by the IMF and World Bank to borrow heavily from these funds for infrastructure and to cover trade deficits, became heavily indebted throughout the 1970s and early 1980s.

Thus arose the debt and economic crisis of the 1980s. The formerly strong inflow of capital into Third World countries reversed into a massive problem of capital flight. They faced soaring interest rates on existing debts, lack of access to further loans, debt defaults, and debt rescheduling troubles. Many of them (especially in Africa) continue to reel from these problems up to the present.

At the same time, the neoliberal economic policy rose to dominance in 1979-81. IMF-World Bank structural adjustment programs (SAPs) of the 1980s and 1990s could thus impose even worse policy conditionalities such as liberalization in trade and finance, deregulation, privatization, deindustrialization, and denationalization.

The political rise of the Third World states (1955-1990)

We conclude this section with a cross-cutting view of how the former colonies and semicolonies — long humbled by imperialist oppression and ravaged by two world wars not of their making — gradually shaped a new bloc of Third World states during the long Cold War period.

In 1914, i.e., during Lenin's time and prior to the October Revolution, the colonies had a total population of 568.7 million. This formed the biggest bulk both of the world's territories as a whole and of those under imperialist control. Next highest in terms of population were the metropolitan countries of the Six Great Powers, followed by the semi-colonies that included China.[8]

By the early 1950s, this overall situation was changed by several global events. First, two inter-imperialist wars had overhauled the lineup of imperialist countries, with the US becoming the lone superpower. Second, the socialist camp emerged and greatly expanded. And third, almost all former colonies in the pre-World War II period had turned, or would soon turn, into formally independent states while imperialism would exert all efforts to keep them as neocolonies.

The bulk of newly independent countries, now popularly known as the Third World, were categorized as "underdeveloped" or "less-developed" or "developing" (the currently preferred UN term). Much of Asia, Africa and Latin America fall into this category, at least up to 1990.

The rise of the Third World was described by Sison as having passed through two phases. The first phase was from 1945 to 1960, and the second phase was from 1960 to the 1970s. In both phases, many countries either achieved substantial independence through armed struggle, or formal independence as a concession of the colonial power.[9]

Capping this phase were the victorious armed revolutions in Vietnam, Laos and Cambodia in 1975. These were followed by the Islamic revolution that toppled the US-Shah Reza Pahlavi regime in Iran and the Sandinista (FSLN) revolution that

8 See table on "Colonial Possessions of the Great Powers" in Lenin's *Imperialism*, p. 85

9 Sison, "The United States and the Third World", *Continuing the Struggle for National and Social Liberation (Selected Writings, 1986-1991)*, pp.314-315.

toppled the US-Somoza regime in Nicaragua, both in 1979. All five revolutions explicitly rejected US hegemony.[10]

The Third World countries have also raised their level of coordinated action against foreign domination at the global level, starting in 1955 when 29 Afro-Asian states held the Bandung Conference.[11] In 1961, the most nationalistic Third World states (including Cuba) helped found the Non-Aligned Movement (NAM). By 1983, NAM's 101 member-countries could claim an automatic majority for Third World positions in UN deliberations. The Third World bloc inside the UN also consolidated itself as the Group of 77. Starting in Algiers in 1967, the G-77 further expanded to 126 member-countries in 1984, and to its current 134 member-countries.[12]

Post-Cold War Period (1990-Present)

Sison summarized the particular state of inter-imperialist rivalries in the post-Cold War period in this manner: "After the end of the Cold War, the imperialist powers have so far avoided direct military confrontation with each other. They have preferred to use proxy wars by backing different sides in local and regional wars. They have taken different positions on whether or not to take unilateral or joint military actions within or outside the purview of the UN Security Council. So far, no rival imperialist powers or blocs of imperialist powers have threatened to use hightech weapons of mass destruction against one another."[13]

Nonetheless, this situation is a dynamic one. The post-Cold War period has been long enough to subdivide further into at least three phases: 1990-2001; 2001 -2008; and from 2009 to the present.

Unipolar imperialism (1990-2001)

The first phase started with the collapse of the Soviet bloc, which was officialized in December 1991. In China, the bureaucrat-capitalist state hastened capitalist reforms and heightened fascist methods to curb social unrest. Meanwhile, the US ruling clique laid down the foundations for the neoconservative paradigm, which

10 A sixth revolution in Afghanistan (1978) rapidly deteriorated into factional in-fighting, triggering a Soviet war of intervention (1979), which in turn was countered by a US-backed Islamic insurgency. Islamic-jihad movements would increasingly figure in great-power rivalries after the end of the Cold War.

11 The leadership of the conference was a powerhouse of Third World states strongly assertive of their independence, such as Indonesia (represented by Sukarno), India (represented by Nehru), China (represented by Zhou), and Egypt (represented by Nasser).

12 Third World unity against imperialist impositions have been dramatically demonstrated in the UN, such as in 1972 when it gave an overwhelming vote for the restoration of the legitimate right of China to its UN seat, and in 1974 when it granted permanent observer status to the Palestine Liberation Organization.

13 Sison, *Building People's Power*, p. 455

called for extending the US unipolar hegemony and full-spectrum dominance in the 21st century.[14]

Thus, the US dominated the entire imperialist camp and practically ruled the world as the sole superpower, with no strong counter-pole to oppose it. Even the Third World bloc was losing steam in the narrow confines of UN processes and in its own contradictions.

At the same time, the US had to project new bogeymen—the so-called rogue states—to replace the "specter of communism." Some were Cold War leftovers, such as North Korea and Serbia. Others, such as Iran, Iraq, Libya, and Syria, represented a new theme that the imperialists had begun to elaborate: the specter of "Islamic terrorism."

Modern Islamic militancy (not necessarily terrorist) and pan-Arabic nationalism reach as far back as the Ottoman empire, which broke up in 1924. Subsequent imperialist impositions in the Middle East and the forcible entry of Zionist Israel further fueled Islamic militancy. A number of Islam-based republics had long been hostile to the US and Zionist Israel. It was the US-backed insurgency in Afghanistan in the 1980s, however, that created a new kind of Islamic force: jihadist groups that the US used as attack dogs on a long leash to destabilize and eventually control other countries.

Meanwhile, the EU consolidated itself while remaining as US ally and backbone of NATO. Japan was weakened by a decade-long recession but likewise remained as the main US ally in East Asia. We can thus speak of the US-EU-Japan as a "Triad Imperialism", in this particular sense and period.

The G-7, as the alliance of the most advanced capitalist powers, became a more fully global body for imperialist consensus. Its annual summits started to invite top officials of multilateral bodies such as the UN, IMF, World Bank, and WTO, as well as accepting Russia into the expanded group G-8. The WTO in turn served as instrument of neocolonial economic control in joint imperialist hands under US leadership.

Several large Third World countries, including China and India, experienced rapid capitalist growth and, together with the former Soviet-bloc countries and the so-called Asian Tigers, were viewed as "emerging" or "transitional" economies. But as yet they were not moving as geopolitical blocs. Towards the end of the first phase, they suffered a severe economic crisis. This further enhanced the unipolar advantages of US imperialism.

14 The most influential designers of this platform were in the think tank "Project for a New American Century" (1997-2006). Ten PNAC members would go on to become top US officials under Bush II's presidency and play key roles in its foreign policy, including the blueprint for regime change in selected countries and "rebuilding America's defenses."

Global "war on terror" (2001-2008)

The second phase began with the September 11, 2011 terrorist attacks, which signaled a major foreign policy shift of US imperialism and its allies to a global "war on terror". The new "Islamic terrorist" bogeyman replaced the "communist threat" in justifying US military presence and buildup, overt wars and covert operations, and support for puppet regimes throughout the world.

In the first place, the US had been using the most rabid forms of Islamic fundamentalism as a weapon and crutch especially in the Middle East; it was keeping its favorite Islamic-jihad groups on a long leash and unleashing them as needed to redirect insurgencies and foment covert action, including false-flag operations. After the Cold War, jihadist forces began to spread out and play that role to the hilt.

Taking advantage of the global outrage at the 9/11 attacks, the US expanded its "war on terror" to include anti-US Islamic states and a broad range of jihadist groups supposedly coddled by such states. It maximized the Bush doctrine of changing any regime that resists US dictates, and invoked the UN's "responsibility to protect" principle to justify preemptive military action.

Under such doctrine and pretext, the US-led imperialist camp waged wars of aggression and extended occupation in Afghanistan and Iraq. The US also waged other proxy wars and covert campaigns in support of its junior partners in the Middle East and to effect regime change in selected "rogue states" elsewhere. As a result, the world has been afflicted by the growth of jihadi groups, which are partly the fifth column and partly the blowback of the US-led wars of aggression and other forms of meddling in the Middle East and elsewhere.

The EU experienced a strong boom (2002-2007) after recovering from the impacts of the earlier crises that hit the "emerging economies" of East Asia, Latin America and Eastern Europe. The "emerging economies" likewise recovered quickly. The US-led imperialist camp remained united in general terms despite cracks appearing here and there. Russia and China confidently flexed their new big-capitalist muscles but could not yet provide an effective counter-pole. The BRICS was more of an idea than a reality.

This phase ended with a shattering eye-opener: the 2007-2008 financial meltdown that signaled the Great Recession.

Multipolar world and big-power rivalries (2009-present)

We conclude with the current period, which may be characterized as one of a multipolar world and rising imperialist rivalries amid a protracted global economic crisis. The Greater Recession continues to ravage the global capitalist system. One

clear result, as Lenin had generalized for the whole epoch of imperialism, is the intensification of inter-imperialist rivalries and factors for war.

Summarizing the current multipolar world, Sison describes the present inter-imperialist rivalries thus: "There are growing contradictions among imperialist powers on economic, financial, trade, and security policies. Most conspicuous issues have involved energy and other raw material sources, investment areas, markets, and spheres of influence. The worst impacts of US military intervention and aggression are also creating resentment."[15]

US, EU and Japan. The US continues to decline even as it is still the biggest economic and military power. Its economy took big hits since 2008; it also faces shifting loyalties and growing challenges by other powers. The Trump presidency reflects an intense political crisis within the US ruling class and a huge potential for the US to further weaken.

The European Union is tossed by an unprecedented storm of political and economic problems, and is struggling to stay afloat. Growing discontent among member-states and a massive influx of migrants and refugees have pushed ultra-Rightist movements to ride on populist sentiments and towards a rethinking of the entire EU project.

The US and EU have so far maintained the largest economic partnership in the world, and continue to share a wide range of common interests. NATO is focused on a massive military buildup to prevent Russia from extending its own sphere of influence westward. But there are growing US-EU policy differences which could worsen under Trump.

Since 1990, Japan suffered two decades of stagnation from which it has barely recovered. It remains the world's third largest economy and the main US ally in the Asia-Pacific region despite some irritants. The US-Japan tandem plays up the China-Russia threat to justify the US pivot to Asia and Japan's own militarist revival and rearmament.

US attempts to prolong world hegemony. The US and its allies continuously carry out hostile acts against perceived enemy states and other adversaries, using a wide spectrum of economic, political, and military options. Apart from their on-and-off wars in Iraq and Afghanistan, they take advantage of social turmoil everywhere to reassert their presence and power in all corners of the world. In the process, US-led forces have been committing war crimes, genocide, crimes against humanity, and other violations of UN-recognized rights of nations and peoples.

15 Sison, *Building People's Power*, pp.122-123

At least three distinct trends have emerged in US political-military strategy after the Cold War. First is the shift to the more flexible "rotational presence" of mostly US-based forces in a bigger number of ground facilities across the globe. Second is the increasing use of "soft coup" or "slow-motion coup" (aka "color revolutions") as alternate modes of regime change, as in the case of "Arab-Spring" uprisings, the Euromaidan uprising in the Ukraine, and attempts against Bolivarian regimes in Latin America.

The third is the tightening deadly embrace between US-led military intervention on one hand and jihadi-type terrorism on the other hand, which continue to feed on the other in an escalating and vicious circle of violence. The spread of jihad movements, in particular, are used by the big powers to divide, confuse and subvert Third World unity against imperialism, as well as to weaken their rivals' control over their respective spheres of influence. Daesh (ISIS) and other jihadi groups have been pushing hard to expand their presence and operations to other global regions. In their wake typically follows US intervention using special forces and operations.

Russia and China. Russia, belittled earlier as an unstable regional power, has successfully reinserted itself to the big-power ranks. Despite economic troubles, the resilient Putin regime has embarked on military reforms and a successful military buildup.

The Russia-led Collective Security Treaty Organization (CSTO) now serves as NATO's rival in the Central Eurasian belt. The Eurasian Economic Community has further evolved into the Eurasian Economic Union (EAEU, from 2014 onward). Both the CSTO and EAEU project Russian power westward and southward by offering direct membership, and to East Asia through the Shanghai Cooperation Organization (SCO).

Russia's biggest partner, China, has suffered economic crises in the past decade but its substantial financial clout is funding ambitious global projects such as the Silk Belt and Road Initiative, the AIIB, and the New Development Bank (BRICS bank), in addition to bilateral aid to partner countries. China continues to woo ASEAN, which is collectively one of its largest trading partners.

China's own rapid military buildup is seen in its reorganized military structure; creation of a Rocket Force as the PLA's fourth branch; a massive naval buildup worthy of a rising maritime power; new military bases on artificial islands in disputed South China Sea territory; and upgraded military doctrine. In the rest of the world, especially in Asia, Russia and China have scaled up cooperation with their allies in BRICS and the SCO.

BRICS. The BRICS (Brazil, Russia, India, China and South Africa) is now a formal alliance, with Russia and China at the core. BRICS aims to contend with

the G-7 in terms of economic and geopolitical clout although it is still comparably weaker. All five BRICS states have been amplifying their individual strengths in their respective regions through such formations as Mercosur, SCO, the Caspian Sea Alliance, the South Asian Association for Regional Cooperation, and the South African Development Community.

The US sees the BRICS alliance as a threat to its world hegemony. In an effort to break the BRICS, US foreign policy has stepped up its antagonism with Russia and China while trying to woo back Brazil, India, and South Africa into the Western imperialist fold.

Big-power rivalries and flashpoints. Since 2012, the US (with EU and Japan to some extent) and Russia (with China to some extent) have reverted back to Cold War-level superpower tensions. There have been repeated diplomatic and proxy-war clashes in the Middle East, on the buildup of US and NATO troops and missile defense systems in Europe and the Pacific, and in the form of cyberwarfare.

In all global regions, all the big powers are scrambling to strengthen their respective positions. especially in terms of investments, access to markets, natural resources, shipping, and military bases, and territorial claims. The saber-rattling between the US and Russia has been most prominent in areas that are already flashpoints of previous, actual, and high-potential armed conflict, such as in the Russia-Europe border regions, in the Middle East and North Africa, in Central and South Asia, and (with Russia taking China's side) in East Asia.

In East Asia, there are simmering cauldrons in the Korean peninsula, East China Sea, and South China Sea, while the Taiwan and Hong Kong SAR sovereignty questions are sleeping dragons that may waken anew. The US strategic approach called "pivot to Asia" (with a 2011-2020 timetable) continues its long-term transfer of air, naval and ground forces to Asia-Pacific destinations. It has laid out detailed plans for the Pentagon's preparations for war in Asia, particularly in the context of a US-led conflict against China.[16]

Central Asia and South Asia are now key arenas of big-power rivalry after the US-backed mujaheedin insurgency in the 1980s, the collapse of the USSR in 1991, and the ensuring US-NATO military intervention. Both US-NATO and Russia-CSTO camps have been wooing countries in the region while invoking "terrorist threats" to justify their continuing political and military presence.

The Middle East (southwest Asia, including Turkey) and North Africa — traditionally considered as one global region (MENA) — is arguably the region in the post-World War II period most wracked by repeating cycles of a wide variety of

16 "Asia-Pacific Rebalance 2025: Capabilities, Presence, and Partnerships". https://csis-prod.s3.amazonaws.com/s3fs-public/publication/160119_Green_AsiaPacificRebalance2025_Web_0.pdf

wars and other forms of socio-political turmoil with religious and ethnic overtones, and which have directly or indirectly involved the big powers. The US and its allies are reasserting their hegemony by systematically dismantling all kinds of anti-US and anti-Zionist opposition in the region.

Fueled by big-power and regional rivalries and other factors as well, repeated realignments are generating and worsening armed conflicts and civil strife such as in Syria, Iraq and Libya. The Russia-backed alliance of Iran, Iraq and Syria is increasingly in the US-Israel-Saudi gunsight. Turkey has become a big bone of contention, while more cracks have appeared among the US-backed Gulf states. Deeply problematic issues such as the Israeli-Palestinian conflict remain unresolved.

In sub-Saharan Africa, economic troubles and social unrest since 1980 led to the toppling of more than 30 African regimes in 1990-1994. A minor uptick (2000-2007, aka "Africa rising") was stopped short by the global recession. Localized but persistent armed conflicts (domestic or cross-border), made more complicated by tribal rivalries and foreign meddling, affect at least a dozen countries. The US-EU alliance is riding on these conflicts to tighten control, particularly as China's presence increases in the region. South Africa, meanwhile, is flexing its new-found muscles and is growing tighter ties with Russia and China.

The US historically treated Latin America and the Caribbean (LAC) as its "backyard" and jealously protects its hegemony in the region. On the other hand, many LAC countries are now active in alliances that resist US meddling and are more open to the multipolar world. These include CELAC, UNASUR, and ALBA. Meanwhile, the long-standing US control of the Organization of American States (OAS) has declined. Cuba remains anti-imperialist and pro-socialist, while Bolivarian (left-leaning populist and generally anti-US) regimes continue to offer alternative paths. Underlying these, however, are seething social conflicts and continuing US intervention.

Projecting the Future of Inter-Imperialist Rivalries

In conclusion, this paper reiterates the continuing validity of the fifth feature of imperialism in the current era. Big-power rivalry as a constant generator of militarism and wars remains as wired as ever to the existence and operations of actual imperialist states, as shown by the experience of the past 100 years.

At this point, we reiterate the most prominent currents that persisted across the decades — through periods of global war and periods of uneasy "peace"; through periods of highly polarized and violent rivalries among imperialists and periods of unipolar hegemony; through a period when a strong socialist camp rallied the various anti-imperialist struggles of the peoples of the world, and through the second half of

the 20th century when that camp gradually dissolved. We now consider the roles of these main currents in shaping and resolving such rivalries, on top of the fundamental social contradictions within monopoly capitalism itself.

Militarism and fascism

Militarism and fascism are twin ideologies, sets of institutions and policies adopted by the imperialist state to deal with crisis and threats of revolution at home, and to gear up for war overseas. While militarism accompanied class society (and especially empires) throughout the many armed conflicts in human history, modern imperialist militarism is qualitatively different and on a much higher level.

Throughout the past century, militarism has generally risen worldwide, with the imperialist powers as the main wellspring. It is tightly intertwined with the relentless trend of fascism and systematic attacks on people's rights, both within the imperialist heartland and in the vast territories of the Third World.

During Lenin's time, other Marxist leaders such as Rosa Luxemburg and Karl Liebknecht had given additional emphasis to the phenomenon of militarism.The topic was explored extensively in Liebknecht's *Militarism and Anti-Militarism* (1907).[17] Many anti-imperialist writers have explored this feature of imperialism beyond the particularities of Lenin's time.

Half a century later, Baran and Sweezy, in *Monopoly Capital*, devoted an entire chapter on precisely this question.[18] The workings of an imperialist state greatly dependent on military power is further explored in Alfred Szymanski's *The Logic of Imperialism*.[19] It is best for the reader to go through the cited chapters.

The military industrial complex, arms trade and arms race. The military-industrial complex continues to bloat up. At the end of World War I, every imperialist power had its own lucrative armaments industry and military-industrial complex (MIC), and competed for bigger shares in the global arms trade. After World War II, the US MIC benefited the most although the industry as a whole recovered and continued to expand worldwide. It continued to grow in the past 50 years since then, even way beyond the Cold War, attesting to its being deeply embedded into the very core architecture of imperialism.

17 The topic was explored extensively in K. Liebknecht's *Militarism and Anti-Militarism* (1907), http://www.marxistsfr.org/archive/liebknecht-k/works/1907/militarism-antimilitarism/index.htm

18 Baran and Sweezy, "The Absorption of Surplus: Militarism and Imperialism" in *Monopoly Capital*, pp.178-214.

19 Szymanski, *The Logic of Imperialism*, pp.177-216

Military spending by the top capitalist powers has continued to bloat up.[20] The US and other developed countries, which are mostly the biggest military spenders, are also the biggest arms traders, suppliers, and military aid givers to armies worldwide.[21]

The post-Cold War era was supposed to relieve the whole world of the military madness that was the US-Soviet strategic arms race. But it has continued and even speeded up, and now involves more big powers. The race is not merely in the quantity of nuclear and non-nuclear arms, but more importantly, in their destructive power and capacity for quick deployment and use.

Of particular and growing concern are the so-called tactical nukes, i.e., nuclear weapons with shorter ranges and lower yields and thus most expedient in various battlefield situations. The big powers are also opening up new arenas for the arms race, such as cyber-warfare, robot weapon systems, and militarizing outer space through military-grade satellite systems.

'National security state' and 'deep state'. The fascist state that showed its ugliest forms in the 1930s and World War II further evolved throughout the entire Cold War. Since then, ultra-Rightist governments and elitist military dictatorships have risen to power while fascist political movements and parties with Nazi affinities have brazenly gone mainstream. These fascist forces undertake systematic campaigns to attack human rights and democratic gains, reinstitute police-state schemes, and whip up various ultra-reactionary thinking through mass media, the Internet, schools and other cultural vehicles.

Some of the worst features of fascism are now seen in the US and Europe, especially as part of the "war on terror." The US and EU increasingly shows the peculiar forms of fascism through the so-called "national security state" also known as the Deep State. Its ruling classes have allowed neo-conservative, militarist and fascist cliques intimately tied with the financial oligarchy to further centralize and camouflage (in some cases even exclusively privatize) key state machineries.

Inter-imperialist rivalries impacted by other global contradictions

After the October Revolution, it soon became evident that the world proletarian revolution would take an entire historical epoch during which socialist states would

20 The world's total military expenditures in 2016 are estimated to have reached USD 1,686 billion. The US share was 36% – higher than the military spending of the eight next top-ranked countries combined. ("World military spending: Increases in the USA and Europe, decreases in oil-exporting countries". SIPRI. Stockholm, 24 April 2017. https://www.sipri.org/research/armament-and-disarmament/arms-transfers-and-military-spending/military-expenditure)

21 In the most recent period analyzed by SIPRI (2012-2016), the US remains the world's top arms exporter (as it has been since 1990) with 33% share. Russia is in No. 2, with 23% share. China, France, Germany, and the UK each recorded about 5% of global exports, rounding out the top six of 57 exporter countries. ("U.S. Leads Rising Global Arms Trade". Arms Control Association. 1 March 2017. https://www.armscontrol.org/act/2017-03/news/us-leads-rising-global-arms-trade)

exist side by side with hostile imperialist states, while supporting liberation wars and mass movements in the colonies and semicolonies became a basic task of socialists worldwide.

As these new contradictions (imperialist camp vs. socialist camp, imperialism vs. national liberation movements and a growing bloc of independent states) unfolded, their complex interactions with inter-imperialist rivalries and wars had to be thoroughly analyzed. Clarity in theory, strategy and tactics on these questions was achieved by the next generations of Marxist-Leninists. Lenin's five features of imperialism were confirmed anew — even most thoroughly by World War II in the case of the fifth feature.

The Cold War, which went on for more than five decades and lasted somewhat longer than the previous period marked by two world wars, further confirmed Lenin's main arguments about inter-imperialist rivalries. But it did exhibit a feature that did not exactly hew to Lenin's scenario of inter-imperialist wars: the major shooting wars during this period were not between imperialist rivals, but in countries such as Korea and in Indochina, where the imperialist alliance fought national liberation movements supported by the socialist camp.

The complex situation was further complicated by Soviet revisionism and the ensuing split in the socialist camp. Thus, the Cold War morphed from its original character as an historic struggle between imperialism and socialism into a global rivalry between two imperialist superpowers. While this US-Soviet rivalry did not erupt into a World War III, its relentless arms race and proxy wars served to revalidate Lenin's thesis about imperialism and war.

Again, after the Cold War, US imperialism seemed to dominate a unipolar world with no effective counter-pole. However, the laws of capitalist crisis and uneven development continue to generate inter-imperialist rivalries. Now the unipolar world has given way to growing polarization and bigger factors for war among the big powers.

Amin's thesis of 'collective imperialism'. Samir Amin has his own 12 theses on what happened to imperialism since Lenin wrote his work.[22] His 10th thesis asserts that there has occurred a "shift from the period of inter-imperialist conflict depicted by Lenin, to the period of U.S. hegemony during the Cold War, to the collective imperialism" by the US-led Triad (with EU and Japan) by end-20th century.

Amin expounds on this Triad by claiming that "collective imperialism finds its raison d'être in the awareness by the bourgeoisies in the triad nations of the necessity

22 Samir Amin is aligned with the Marxian-dependency theorists clustering around the Monthly Review together with Paul Baran, Paul Sweezy, Harry Magdoff, and Andre Gunder Frank. His 12 theses on imperialism were presented in a *Monthly Review* article in 2011 article by John Bellamy Foster (MR vol. 63 no. 5, October 2011)

for their joint management of the world..." He asserts that the enmity between the Triad, on one hand, and China and Russia, on the other hand, are not inter-imperialist rivalries but conflicts between the imperialist centers, on one hand, and two states in the "peripheries" which have so far refused to become mere "neo-comprador bourgeoisies" like the rest of the Third World on the other hand.[23]

This thesis, however valid for a very specific period of imperialism, cannot disregard the fundamental basis for inter-imperialist conflicts from which Lenin derived the fifth feature. His "period of U.S. hegemony during the Cold War" (1947-1990) and the "period of collective imperialism" by the US-led triad (1990-present) merely represent new or transitional forms of such conflicts. The fifth feature of imperialism remains as valid as ever.

Continuing era of imperialism and socialist revolutions

The future of imperialism and inter-imperialist rivalries cannot be projected separately from the future of socialist revolutions. As Lenin stated, the era of imperialism is the era of the proletarian revolution. Generations of Marxist-Leninists have always asserted that the world capitalist crisis will recur repeatedly and more seriously. Each crisis generates favorable conditions upon which new revolutions, both people's democratic and socialist, will break out and win victories.

While no major socialist revolution is in the horizon at the moment, repeating crises of the capitalist system, sharpened big-power rivalries and a reemergent Third World will further increase the objective and subjective factors for revolution. Nations will continue to assert independence and the people to wage revolution.

As the crises of global capitalism continues, the interest and demand for socialism is gaining renewed strength, both among the old generation of working people who can still recall the benefits of socialism and among the younger generations who are rediscovering the past. More proletarian revolutionaries will arise, draw lessons from past victories and failures, and lead the masses in order to reassert socialism.

As Lenin reminded us all: "Only a proletarian socialist revolution can lead humanity out of the impasse which imperialism and imperialist wars have created. Whatever difficulties the revolution may have to encounter, whatever possible temporary setbacks or waves of counter-revolution it may have to contend with, the final victory of the proletariat is inevitable."[24]

23 Amin, *Monthly Review* vol. 67 no. 3, Jul-Aug 2015

24 V.I. Lenin, "Materials Relating to the Revision of the Party Programme", *Collected Works* Vol. 24, p. 460

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The Future of Imperialism and Socialism

Prof. Jose Maria Sison

Introduction

It is difficult or even impossible to discuss and elaborate on the future of imperialism (monopoly capitalism) and socialism without understanding the laws of motion involved in social transformation and the trajectory of developments from the past to the present, especially at this time when imperialism is still dominant and socialism has still to resurge by taking advantage of the persistent economic and financial crises and aggressive wars that manifest the parasitic, violent, decadent and moribund character of imperialism.

At any rate, we are well past the time when a factotum of US imperialism could arrogantly claim that humankind cannot go beyond capitalism and liberal democracy and that the socialist cause is dead because of the restoration of capitalism in China, the Soviet Union, Eastern Europe and East Germany before the 20th century was over.

Since then, after boasting of itself as winner in the Cold War and sole superpower in a unipolar world, the US has hastened its own strategic decline by undermining itself with the high costs of the crisis-stricken neoliberal economic policy and the neoconservative policy of aggressive wars. In the early decades of the last century, a multipolar world has emerged, characterized by intensified inter-imperialist contradictions and sharpening struggle for a redivision of the world.

At the International Seminar on Mao Zedong Thought to mark the 100th birth anniversary of Comrade Mao Zedong in 1993, the Communist Party of the Philippines declared that we are still in the era of modern imperialism and proletarian revolution, even as the former seems to reign without serious challenge and the latter has taken a strategic retreat as a result of the betrayal of socialism by the modern revisionists that started in earnest in the Soviet Union during the time of Khruschov.

Since the last decade of the 20th century, we have witnessed the overweening arrogance and yet self-defeating direction of the ideological, political, economic and military offensives undertaken by US imperialism and its NATO allies to attack the proletariat and the oppressed peoples and nations. Such offensives and their extremely

harsh consequences have served to stress the point that there is no alternative to imperialism but socialism.

Part I. Marx and Engels in the Era of Free Competition Capitalism

Marx and Engels laid down the fundamental principles of Marxism in the fields of philosophy, political economy and social science. They surpassed the preceding level of knowledge in these fields by studying the reality of rapid changes due to the use of machines in large-scale commodity production in the era of free competition capitalism and by taking into account the vantage point and revolutionary potential of the industrial proletariat.

The philosophy of dialectical materialism teaches us that there is nothing immutable in the universe and that there is nothing permanent but change. The material world that exists objectively, independent of human consciousness, is governed by the laws of contradiction from the level of particles and subparticles to the most conspicuous formations and phenomena in nature and society.

Historical materialism is the application of dialectical materialism in the study of societies and the process of social transformation. It has shown the general sequence of the many millennia of classless but stone-age primitive communal societies and the slave, feudal, capitalist and socialist forms of societies characterized by literacy, existence of classes and metallurgy. The contradiction between the forces of production (people in production and the means of production) and the relations of production gives rise to a new and higher form of society.

In general, when evolution precedes revolution, the forces of production predetermine the relations of production. But in the process of revolution, the new relations of production can promote and accelerate the growth of productive forces and revolutionize both the mode of production and the social superstructure. Social transformations are cumulative but not unilinear. They tend to follow a zigzag course. There are also examples of societies retrogressing to an earlier form of society due to internal and external factors.

In the Marxist critique of the capitalist economy, the workers get wages that are only a small part of the new material values that they create and the rest which is called the surplus value is divided among the capitalist proprietor, the banks and landowner as profit, interest and rent, respectively. To maximize profit and to survive or prevail in inter-capitalist competition, the capitalist seeks to minimize and press down wages and to make up for fewer workers with labor-saving machines.

In effect, he limits and narrows the market because of the lessened employment and incomes or purchasing power of the workers. Thus, the crisis of overproduction

occurs relative to the market. When the capitalists try to overcome the economic slump, they run to the bank for credit to tide them over the dire situation and eventually they cause a financial crisis when bankruptcies and production cutbacks occur due to the persistent stagnation or depression of demand.

The economic and financial crisis that arises from pressing down wages and investing more on the means of production allows the winning capitalist to beat his competitors. Thus, competition leads to concentration of capital and ultimately to monopolies. In the middle of the 19th century, there were already British monopolies benefitting from the so-called free trade in the expanding British colonial empire. In the last three quarters of the 19th century, monopolies emerged in several industrial capitalist countries.

In social science, Marx and Engels advanced the study of class struggle, which was started by the revolutionary democrats in the French revolution. They extended the study to that of the class struggle leading to the proletarian class dictatorship and supplanting the bourgeois class dictatorship. The proletarian class dictatorship or the working class state is the key to the entire theory and practice of scientific socialism. In contrast, utopian socialism is mere wishful thinking and relying on a few good hearts to establish communal enclaves

In the *Communist Manifesto*, Marx and Engels called for the overthrow of the bourgeoisie and the establishment of the proletarian class dictatorship. They also called for winning the struggle for democracy. The working class can assure itself of victory not only by strengthening itself but also by winning over the broad masses of the people in the struggle to overthrow the bourgeoisie. Marx and Engels did their best to participate in the working class movement by founding the Communist League in 1847 and taking leading roles in the formation and work of the International Workingmen´s Association or the First International in 1864.

Marx studied the Paris Commune of 1871 as a great source of both positive and negative lessons by which to advance proletarian revolution and proletarian dictatorship. He lauded the working class of Paris for seizing state power and establishing the proletarian dictatorship and adopting revolutionary policies and actions. But he also criticized the failure to take the offensive against Versailles and to smash the bureaucratic and military machinery of the bourgeois state. The communards prematurely called for elections. They unwittingly allowed the bourgeoisie to exercise their influence in Paris and to even plot the massacre of the communards. At any rate, the Paris Commune has served as the prototype of the proletarian class dictatorship.

Part II. Lenin in the Era of Modern Imperialism and Proletarian Revolution

The great Lenin summed up Marxism, with its three basic components and its revolutionary essence. He upheld, defended and further developed what he inherited from Marx and Engels. He made his own outstanding contributions to Marxist philosophy, political economy and social science. He was inspired by the fact that Marxism had become the main trend in the working class movement in Europe by the last decade of the 19th century. He sharpened his theoretical knowledge by applying it in the revolutionary struggle against Tsarism and the bourgeoisie and criticizing the currents of opportunism, reformism and revisionism among the avowed revolutionaries in Russia and in the Second International.

In philosophy, Lenin combated petty bourgeois subjectivist idealism, which poses as third party philosophy between materialism and idealism or insists on the dualism of the natural and the supernatural, garbs idealism and metaphysics with empiricism or mechanical materialism and denies dialectical materialism. He maintained the scientific materialist position and pointed to the unity of opposites as the most fundamental law of material dialectics among the three laws of contradiction (unity of opposites, negation of the negation and quantitative change to qualitative change).

He elaborated on the law of uneven development to indicate that socialism can arise from the weakest link among the imperialist powers, such as Russia with a growing bourgeoisie in industrial islands surrounded by an ocean of medievalism and feudalism and using a military-feudal empire to exploit and oppress various nationalities. Where capitalism is more industrially developed and offers the economic and social conditions for socialism, the bourgeoisie is in a stronger position to resist and repress the working class movement and the socialist cause. The proletariat is likely to face the state terrorism and has to win the battle for democracy by overthrowing the bourgeois state. In a less advanced country like Russia, the bourgeois democratic stage of the revolution becomes more defined.

In political economy, Lenin studied the development of free competition capitalism to monopoly capitalism or modern imperialism and defined the latter as the highest and final stage of capitalism. This is decadent and moribund because it is prone to crises and wars. He described the five features of imperialism: the dominance of monopoly capital in the capitalist economy, the merger of bank capital with industrial capital becomes the basis of finance capital, the higher importance of the export of surplus capital than that of surplus commodities, the rise of international combines of monopoly capitalist corporations to share the world among them and the territorial division of the world among the strongest imperialist powers has been completed.

A substantial change in the balance of forces among the imperialists leads to an intensified struggle for the redivision of the world and the outbreak of a world war. He described the inter-imperialist war as the eve of socialist revolution and called on the proletariat and people to turn the imperialist war into revolutionary civil war. He opposed the European social democratic parties in the Second International for supporting the war effort and war budget of their respective countries and called them social chauvinists.

He successfully led the Bolshevik party and the soviets of workers, peasants and soldiers in overthrowing the Provisional Government headed by Kerensky in Petrograd on October 25, 1917 (November 7 in the Gregorian calendar). Thus, he established for the first time in history the first socialist state in one country covering one sixth of the face of the earth. He proclaimed all power to the soviets and the end of the inter-imperialist war. He consolidated immediately the power of the soviets by pursuing peace, nationalization of the land and revival of the economy.

After the Red Army won the Civil War against the White armies and the foreign military intervention, he decreed the New Economic Policy (NEP) in 1922 in order to revive the economy as soon as possible from the dire conditions of war, scarcity of goods and the "war communism" of rationing by adopting methods of state capitalism and giving concessions to small and medium producers and traders. The Bolshevik-led government had earlier adopted the NEP in the course of the 10th Congress of the All Russia Communist Party in 1921.

Lenin directed the establishment of the Union of Soviet Socialist Republics (USSR) as a new framework of state existence. The Congress of Soviets ratified the Declaration and Treaty of Union of the Republics in 1922. After the death of Lenin in 1924, Stalin assumed the leadership of the Bolshevik party and the USSR and carried forward socialist revolution and construction. He ended the NEP in 1928 and proceeded with the implementation of a series of five-year plans to build socialist industry and the collectivization and mechanization of agriculture. He defeated opposition from the "Left" opportunists who pontificated that socialism was impossible in one country as well as the Right opportunists who demanded the prolongation of the NEP.

Under the leadership of Stalin and the Communist Party of the Soviet Union, the USSR became a powerful industrial state by 1936. Through the Soviet Constitution, Stalin proclaimed the end of classes and the class struggle, except the one between the Soviet people and the imperialists. This formulation was erroneous because classes and class struggle continued to exist and needed to be handled correctly. In contrast to the Soviet Union, the industrial capitalist countries were beset by the Great Depression, social turmoil, the rise of fascism and the growing danger of an inter-imperialist war.

Stalin was ever loyal to Lenin and Leninism and adhered to Marxism-Leninism. His merits outweighed his demerits in building socialism. Comrade Mao would later rate him 70 per cent good in contrast to Krushchov's total negation of him in 1956. In philosophy, he was sometimes overly focused on the interrelation of conflicting forces that were external to each other. In political economy, he prescribed the full correspondence of the mode of production and the superstructure. In social science, he prematurely declared the end of classes and class struggle in the Soviet Union.

In overstating that the Soviet society had become classless, he unwittingly obfuscated the need to enhance the proletarian revolutionary stand, viewpoint and method and the need to handle correctly the relations of classes among the people. He tended to deal with his critics and opponents with a heavy iron hand because they were easily cast as enemies of the people. But when World War II loomed and broke out, with Russia as the main target of Nazi Germany, he loosened up politically and returned the properties of the Orthodox Church for the sake of expanding and strengthening the Great Patriotic War against the fascist invasion.

By and large, Stalin was an outstanding communist leader and fighter. He excelled at fighting imperialism and fascism to uphold, defend and advance socialism in the Soviet Union, he succeeded in building the Soviet socialist economy from 1928 to 1940 and rebuilding it from 1945 to 1953, in developing the educational and cultural system of the working class, in inspiring the Soviet people to fight and defeat Nazi Germany and fascism, in promoting the international communist movement and in supporting communist-led forces to establish people's democracies and socialist states (in Eastern Europe, East Germany, China and Korea) as well as movements for national liberation and in facing up to the US and its imperialist allies in the aftermath of World War II.

Part III. Modern Revisionism and the Restoration of Capitalism

Exactly when it could be said that one third of humanity were in socialist countries led by revolutionary parties of the proletariat and that the world was divided between the capitalist and socialist camps, Khrushchov delivered his "secret" speech against Stalin at the 20th Congress of the Communist Party of the Soviet Union in 1956, accusing him of promoting the personality cult, of using this to disregard collective leadership and resulting in the purges of communist cadres and entire masses. He enumerated 61 allegations of crimes, which were demonstrably false. The speech signaled the rise of modern revisionism in the CPSU and most of the ruling communist parties in Eastern Europe.

Modern revisionism may be described as an all-round ideological, political, economic and social line and practice by an avowedly communist ruling party claiming

to be engaged in the creative application of Marxism-Leninism by undertaking so-called reforms that subvert a socialist society and restore capitalism. In contrast, the classical revisionists (the social democrats) behave as the tail of bourgeoisie in the bourgeois parliament. The modern revisionists are those at the center of executive power already in a position to junk socialism and restore capitalism. It is nurtured by a resurgent domestic bourgeoisie and encouraged by the international bourgeoisie.

Krushchov totally negated Stalin and his achievements and denigrated the CPSU and the Soviet proletariat and people for being subservient to his personality cult. He claimed that the proletariat had fulfilled its historic mission of building socialism, that the CPSU and socialist state were no longer of the proletariat but of the entire people, that the transition to socialism ought to be peaceful, that the superiority of socialism over capitalism would be proven through peaceful economic competition and that peaceful coexistence was the general line of the international communist movement.

He adopted and carried out "reform" policies and measures to dismantle the socialist economy. He decentralized the economic ministries and sabotaged central economic planning. He promoted factory egoism, made individual enterprises responsible for their cost and profit accounting and gave the managers the power to hire and fire workers. In agriculture, he undermined the state and collective farms by enlarging the private plots and the free market and caused the reemergence of kulaks in large numbers; he put the machine and tractor stations under the ownership of individual collective farms and made these responsible for their own cost and profit accounting. He also caused the planting of the wrong crop on the wrong kind of soil.

Khruschov was held responsible for economic failure and was replaced by Brezhnev as the CPSU General Secretary in 1964 until 1982. The latter posed as someone engaged in re-Stalinization of the economy by recentralizing certain ministries and enterprises needed to assure the federal state with funds and to ensure the production of weapons in accordance with Brezhnev's policy of engaging in the arms race with the US and gaining parity in military strength. Many of the reforms undertaken by Khruschov persisted to favor the bureaucrat bourgeoisie in collusion with the private bourgeoisie as criminal partner in corrupt practices. Thus, Brezhnevism was called Khuschovism without Krushchov.

In external relations, Khrushchov prated much about the general line of peaceful coexistence, seeking detente with the US and ending the Cold War. But he was quite vicious in withdrawing assistance from China as a result of the ideological debate between the CPC and the CPSU, with the former taking the Marxist-Leninist stand against the latter's modern revisionism. He deployed missiles in Cuba in 1961 only to withdraw these quickly upon warning by the US. He avoided giving concrete support to the Vietnamese people's struggle for national liberation. In comparison, Brezhnev adopted an aggressive policy, earning criticism as a social imperialist

(socialist in word and imperialist in deed) by invading Czechoslovakia in 1968, attacking Zhenbao Island in the Wusuli River and deploying a million troops along the Sino-Soviet border.

The series of short-time general secretaries of the CPSU that followed Brezhnev did not change the revisionist Krushchov-Brezhnev continuum. Gorbachov and his teammates, including Yeltsin as collaborator and seeming rival, found this as a convenient ground for ideas, policies and measures for the rapid and full restoration of capitalism and the collapse of the Soviet Union. Gorbachov engineered the scarcity of consumer goods and encouraged the creation of 500,000 phony cooperatives to enable backdoor sales to consumers who had grown tired of queuing at state-owned stores, while the Russian Mafia (the criminal bourgeoisie) waited for the big prize of privatizing state monopoly assets.

No self-respecting leader or ruling party of a state would put into question the life of that state by calling for a referendum on it. But Gorbachov did so. On a seemingly different track, Yeltsin separated Russia from the Soviet Union only to form a Confederation of Independent States (CIS) and lay aside the results of the referendum called by Gorbachov to decide the life of the Soviet Union, even as the majority of the Soviet people voted for continued existence of the Soviet Union. Thus, the Soviet Union was dissolved on December 25, 1991.

Mao knew much about the CPSU and Soviet Union of Lenin and Stalin and the scourge of modern revisionism from the long-running relationship between the CPSU and the Chinese Communist Party, the Moscow meetings of communist and workers' parties in 1957 and 1960, the study and training of thousands upon thousands of Chinese students and workers in the Soviet union in the 1950s and the Soviet withdrawal of assistance to China in 1959. As a matter of principle, the CPC took exception to the complete negation of Stalin by Krushchov and stood for Marxism-Leninism against modern revisionism.

Part IV. Maoist Theory and Practice Against Imperialism and Revisionism

The great Mao further developed the theory and practice of Marxism-Leninism and made greatly significant contributions in philosophy, political economy and social science. It can be said that Maoism is the third stage in the development of the theory and practice of proletarian revolution after the earlier stages of Marxism and Leninism. At the time of the Great Proletarian Cultural Revolution (GPCR), Mao Zedong Thought was described as the guide to revolutionary action in the context of imperialism heading for total collapse and socialism winning total victory in the world.

But consequent to the successful Dengist coup and defeat of the proletarian revolutionaries in 1976 after the death of Mao and the restoration of capitalism in China itself and the full restoration of capitalism of revisionist-ruled societies in the years of 1989 to 1991, the socialist cause has taken a strategic retreat. To be circumspect and to reflect the current strategic situation we can say that we are still in the era of imperialism and proletarian revolution. Indeed, imperialism is still dominant and socialism still needs to resurge. The stage of Maoism can extend to the period of new victories of socialism over imperialism and all reaction in various countries.

In philosophy, Mao elaborated on the unity of opposites as the fundamental law of the universe. Contradictions exist everywhere, but they differ in accordance with different nature of different things and processes. There is at once unity and struggle, and it is the struggle that impels things to move and change. In a simple kind of contradiction, the principal aspect determines the character of the temporary unity or balance of the opposites. But the secondary aspect has the potential to become the principal aspect by overpowering it. In a complex set of contradictions, the principal contradiction must be determined because its resolution facilitates that of the other contradictions.

Mao declares that social practice is the source of knowledge and includes production, class struggle and scientific experiment. He describes as rising in a series of waves the advance of perceptual and rational knowledge and theory and practice. Mao's penetrating analysis of the unity of opposites stresses the principle of self-reliance in the revolutionary struggle. External causes are the condition of change and internal causes are the basis of change and that external causes become operative through internal causes. In a suitable temperature, an egg changes into a chicken, but no amount of temperature can change a stone into a chicken.

In political economy, Mao comprehended the Marxist critique of capitalism and the Leninist critique of monopoly capitalism. He critiqued the building of the socialist economy in the Soviet Union and he drew lessons from it. He put forward the line that agriculture is the base of the economy, heavy and basic industry is the lead factor and light industry is the bridge between the two. Revolutionization of the relations of production enhances the forces of production. Revolutionization of the superstructure enhances the mode of production.

As the bridge between agriculture and heavy and basic industry, light industry serves immediately the consumption and production needs of the people, especially the peasant masses, instead of increasing their burden as a result of overaccumulation and overinvestment in heavy and basic industries. Leadership in the factories was constituted by the representatives of the Party, the workers and the experts. They took turns in working on the bench to keep high their proletarian class stand, know

the conditions and needs of the workers and sustain their close relations with the workers.

In social science, Mao made great contributions to the development and victory of the new democratic and socialist stages of the Chinese revolution. He developed further Lenin's teachings on building the Party as the advanced detachment of the working class. He elaborated on the strategy and tactics of protracted people's war by which the revolutionary forces could accumulate strength in the countryside until they could seize power in the cities. Upon the basic completion of the new democratic revolution through the seizure of political power, the revolutionary party of the proletariat is in the lead and at the core of the people's democratic republic and ensures that the people's army under proletarian revolutionary leadership is the main component of the socialist state.

Thus, the socialist revolution began in China even as transition measures had to be undertaken in order to complete the land reform and other bourgeois democratic reforms, carry out agricultural cooperation and to socialize the economy. Socialist construction could also begin with the state taking over the commanding heights of the economy such as the strategic industries, the main sources of raw materials and the system of transport and communications. After the basic socialization of the entire economy, the Right opportunists under Soviet revisionist influence demanded prolongation of the transition measures.

But Mao prevailed by launching the Great Leap Forward from 1959 to 1961 in order to establish the communes and socialist industry. This came on time to overcome the imperialist blockade, the Soviet withdrawal of economic cooperation and the natural calamities. By 1962 China was producing bumper crops in agriculture and building major heavy and light industries. Mao called for a socialist education movement to counter the attacks on his line during and after the Great Leap Forward. Capitalist roaders in the Party and State leadership sabotaged the movement to render it ineffective.

Ultimately, Mao put forward in 1966 the theory and practice of continuing revolution under proletarian dictatorship through the GPCR in order to combat revisionism, prevent the restoration of capitalism and consolidate the socialist system. The struggle to consolidate socialism is envisioned as taking a historical epoch, entailing a series of cultural revolutions. The GPCR won one victory after another from 1966 to 1976 under the leadership of Mao even as it was constantly being undermined and sabotaged by the revisionists headed by Liu Shaochi and Deng Xiaoping. However after the death of Mao, Deng and his associates made a coup in 1976 and started to roll back the gains of the GPCR.

The GPCR scored great achievements in socialist revolution and construction. But those who have restored and maintained capitalism negated all of these. Even

the GDP of China had an average annual rate of growth of 10 percent from 1966 to 1976. But this rate would be brought down by the obvious falsification of downside figures by the capitalist roaders after 1976. The Dengist bourgeois counterrevolution and capitalist restoration in China have proven conclusively that Mao was correct in posing the problem of modern revisionism and putting forward the theory of continuing revolution under the proletarian dictatorship through the GPCR.

The defeat of the GPCR does not mean the invalidation or permanent death of its principles and methods but these can be studied further, developed and propagated to answer the taunt that there is no alternative to capitalism. The lasting value of GPCR is that it posed and answered the question whether socialism can be consolidated and capitalist restoration can be prevented. Lessons can be learned from the victories and defeat of the GPCR. The main attack came from the revisionists but the Marxist-Leninists also committed certain errors. As in the study of the victory and defeat of the Paris Commune in 1871, questions can be raised and answered and the tasks of the proletarian revolutionaries can be better defined in a continuing study of the GPCR.

During the GPCR, the ideological debate between the CPC and the CPSU intensified. New Communist Parties were formed to uphold Marxism-Leninism-Mao Zedong Thought and to oppose Soviet modern revisionism. The Central Committees of Marxist-Leninist parties sent permanent and occasional delegations to Beijing. But eventually by 1974 in its foreign policy and diplomatic relations, China veered towards the Right when it defined three worlds: the first world of the two superpowers, the US and Soviet Union, the second world of less developed capitalist countries and the underdeveloped countries in Asia, African and Latin America. The proletarian revolutionaries continued to consider the many countries of the third world as the mainstay for an international united front with socialist countries against any of the two superpowers. But the Chinese modern revisionists laid stress on rapprochement with the US to lay the ground for alliance with the US and integration in the world capitalist system.

Part V. The Future of Imperialism and Socialism

After the foregoing analysis of the past and current situation of imperialism and the socialist cause, we can now try to predict their probable course and future. Imperialism or monopoly capitalism is a dying system of greed and terror beneficial only to a few at the expense of the proletariat and the people who create the social wealth but are exploited and oppressed. Such a system cannot last forever. Socialism is the only alternative. Because of the ever-worsening crisis and destructiveness of imperialism, the objective conditions have become favorable for the advance of the subjective forces of the anti-imperialist, democratic and socialist movement.

Following the full restoration of capitalism in revisionist-ruled countries and the collapse of the Soviet Union in 1991, the US appeared as the winner in the bipolar world of the Cold War and as the sole superpower in the capitalist world for an indefinitely long time. Since then, some people have even imagined that imperialism is forever and that history cannot go beyond capitalism and liberal democracy. However, instead of the promised economic bonanza and so-called peace dividends resulting from the full restoration of capitalism in revisionist-ruled countries, the US imperialists have carried out ideological, political, economic and military offensives aimed at further aggrandizing themselves but in fact resulting in extremely high and self-debilitating costs and inciting the people to resist the escalation of exploitation, state terrorism and wars of aggression.

The US originally adopted the neoliberal economic policy as early as 1979 to solve the problem of stagflation. Reagan proceeded to carry out the policy by concentrating on the production of high tech military goods and outsourcing the production of consumer goods in the 1980s. This undermined employment in the manufacture of consumer goods and the US turned from being the biggest creditor to being the biggest debtor, indebted mainly to Japan, China and other economies in East Asia. US policymakers calculated that subcontracting sweatshop operations to China would keep it in the world capitalist system. And production of high-technology and capital intensive goods and war materiel by the military-industrial complex and financialization of the US economy would maintain the US as the No. 1 economic power.

After the collapse of the Soviet Union in 1991, the US became more aggressive in the Middle East (Iraq), Central Asia (Afghanistan) and Eastern Europe (Yugoslavia). The trend would continue from the regime of Bush the elder to that of Clinton in the 1990s. The latter regime estimated that the US could stay as the No. 1 economic and military power by being ahead in information technology, financialization of the economy and stepping up military production. The high tech boom went bust at the start of the 21st century and signaled the end of the unipolar world with the US as the unchallenged sole superpower. Bush aggravated the US and global economic and financial crisis by undertaking loose credit and other measures that ultimately led to the mortgage meltdown of 2006-2008.

Bush took advantage of the 9/11 events to declare a perpetual global war on terror, apply the neoconservative policy of aggression using high-tech military weapons, further step up war production and practically boast of this as military Keynesianism to pump prime the economy. When the US unleashed its war of aggression against Iraq on the false pretext that this held nuclear and chemical weapons of mass destruction, China and Russia appeared to support or at least condone the aggressive actions of the US against Iraq. But they could not miss the dangers of US expansionism to them and noticed how the US was undermining itself with the extremely high costs of aggression and the soaring US public debt. Thus, they became more determined

to strengthen the BRICS economic bloc for the purpose of economic development independent of the US and the multilateral agencies it controls; and form the Shanghai Cooperation Organization for the purpose of collective security.

A multipolar world has arisen to replace the US-dominated unipolar world. This is the result of China and Russia joining the ranks of the capitalist powers, changing the balance of forces in the world capitalist system and ending the status of the US as the unchallenged sole superpower. All the capitalist and imperialist powers are beset now by socio-economic and political crisis and are escalating their economic competition and political rivalry. Inter-imperialist contradictions are intensifying. The imperialist powers are driven to redivide the world. In the process, they aggravate the crisis and further engage in wars. Wars are going on in around 50 countries today. They have grown in number since 1968 and have been caused by imperialism and domestic reaction.

In the face of the ever-worsening crisis of monopoly capitalism and the spread of wars, we can confidently say that imperialism is doomed and that we are on the eve of a worldwide upsurge of the socialist revolution. We are in transition from a world dominated by imperialism to one in which socialism would resurge and become more established than ever before. The objective conditions for advancing the anti-imperialist, democratic and socialist movements are favorable. But the subjective forces of the revolution must take advantage of such conditions and wage fierce anti-imperialist and class struggle against the exploitative and oppressive classes.

As a result of the temporary defeat and strategic retreat of the socialist cause, the imperialists have carried out a policy of doing everything to exploit the proletariat and broad masses of the people and to extract superprofits. They have adopted unprecedentedly higher technology for civil and military production and for communications and transport. The result is a severe contradiction between the means of production and the people in production and between the forces of social production and the capitalist relations of private appropriation. It is the root cause of the recurrent and cumulative economic and financial crisis and the outbreak of aggressive wars. After the monopoly capitalists benefit from said technology, the proletariat and people take their turn in wielding it to carry out socialist revolution and construction. The high social character of high technology production suits socialism rather than monopoly capitalism.

The recurrence of the crisis of overproduction and the propensity of the imperialist power to engage in state terrorism and launch wars of aggression generate social turmoil and goad the people to engage in anti-imperialist and democratic struggles and grasp socialism as the only lasting alternative to capitalism. Anyone who says now that history cannot go beyond capitalism and liberal democracy would be considered a nut case. The people's demand is to get rid of capitalism.

The calls for studying and applying the revolutionary principles and accomplishments of Marx, Engels, Lenin, Stalin and Mao are resounding. The imperialist propaganda against these revolutionary thinkers and leaders, especially against Mao and Stalin who accomplished the most in actual socialist revolution and construction, has failed to discourage the proletariat and the people. The entire range of the theory and practice of Marxism-Leninism-Maoism and the theory and practice of continuing revolution under proletarian dictatorship through cultural revolution provide answers to questions about the future of imperialism and socialism, even as the worsening conditions of crises and wars push the people to resist the imperialists and reactionaries and take the revolutionary road to socialism.

The subjective forces needed to engage in revolutionary mass struggles against imperialism and domestic reaction are the revolutionary party of the proletariat, the mass organizations of the toiling masses of workers and peasants and the urban petty bourgeoisie, the self-defense units of mass organizations and offensive armed units of the people's army and the organs of political power. These subjective forces can arise and develop only if there is a determined core of proletarian revolutionaries who adhere to the line that there can be no revolutionary movement without revolutionary theory and neither can there be a successful revolution without arousing, organizing and mobilizing the people and building the people's army under the firm leadership of a revolutionary party of the proletariat to smash the military and bureaucratic machinery of the bourgeois state.

The revolutionary party of the proletariat must take the ideological line of Marxism-Leninism-Maoism. This grasps the fundamental principles of repudiating capitalism and embracing the socialist cause, the experience and lessons of socialist revolution and construction in the era of imperialism and proletarian revolution and the theory and practice of cultural revolution to combat modern revisionism, prevent capitalist restoration and consolidate the socialist system. Such a party must have the correct general political line based on the concrete conditions and demands of the people. To be able to lead the people in political struggles, it must arouse, organize and mobilize the masses to pursue the aims and purposes of the revolution. Such a party must follow the principle of democratic centralism. It must make the best possible and necessary decisions on the basis of democratic discussion, promptly concentrate the will of the collective and the masses, and carry out resolutely the decisions.

At the rate that imperialism is discrediting itself and offending the people with its recurrent and worsening crisis, state terrorism and wars of aggression in the early decades of the 21st century, we are confident that the revolutionary anti-imperialist, democratic and socialist movements will thrive and become far more successful than those of the 20th century. There is plenty of time allowance for socialism to prevail over capitalism in several countries in the current century. When the time comes that socialism is dominant on a global scale as a result of the defeat and end of

imperialism, the way would become wide open for reaching the stage of communism on the basis of the achievements of socialist revolution and construction.

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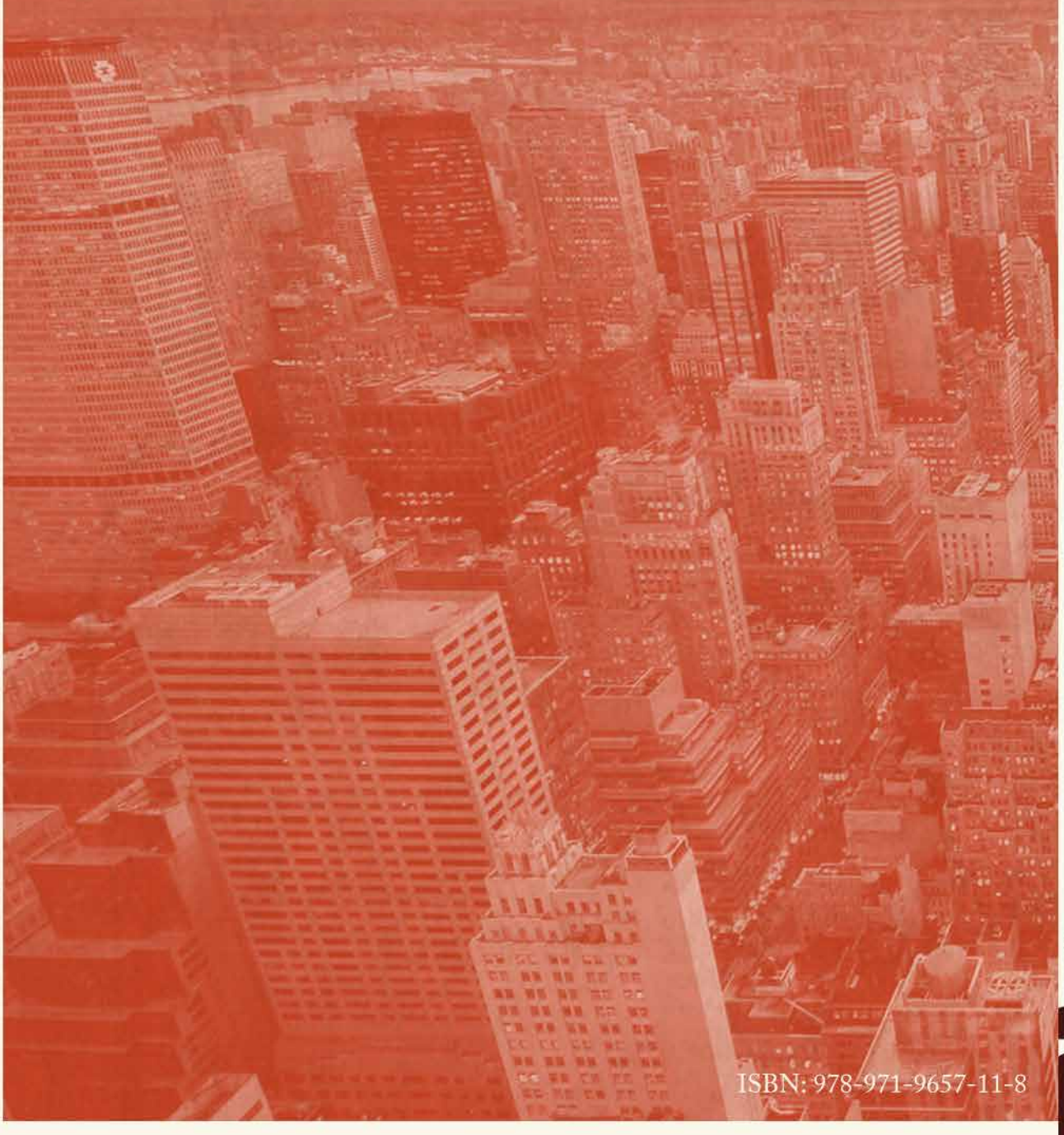
In commemoration of the hundredth anniversary of the first publication of Lenin's *Imperialism, the Highest Stage of Capitalism*, the Institute of Political Economy proudly offers this book, **Lenin's *Imperialism* in the 21st Century**.

It has eight in-depth chapters from distinguished thinkers and authors who examined the various aspects of modern imperialism in contemporary history and today's world.



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